

NAA: A1838, 3103/11/62 PART 1

Series number: A1838

Control symbol: 3103/11/62 PART 1

Barcode: 587692

Number of pages: 258

Title: Japan - Relations with France

Copies of this record are provided for research or study purposes. Before making use of the material for other purposes (for example publication) please refer to information on copyright obligations and citing archival records available on our website at www.naa.gov.au.

FILE No. 3103/1162
94 1 (cont)

RECORDED

COMMONWEALTH OF AUSTRALIA

DATE COMMENCED

19/7/48

DATE FINISHED

26/6/77

DEPARTMENT OF EXTERNAL AFFAIRS

SECRET.

CAVEAT MATTER ENCLOSED

SUBJECT.

JAPAN

RELATIONS WITH FRANCE

PREVIOUS FILE:

4806

NEXT FILE:

RELATED PAPERS.

FILE No.

SUBJECT.

3103/11/2

Relations with Western Block

CAVEAT MATTER ENCLOSED

10081/62.

By Authority: A. J. ARTHUR, C'wealth Govt. Printer, Canberra.

Department of Foreign Affairs

RE8.

File Number

Part Number

**FILE
CLOSED**

This part opened on...../...../.....

This part closed on...../...../.....

Subsequent correspondence on Part/File Number

STATEMENT OF REASONS UNDER SECTION 40 OF THE ARCHIVES ACT

CRS A1636/277, Item no. 3103/11/62 Pt 1
is OPEN WITH EXCEPTION / ~~CLOSED~~ for the reasons set out below.

* delete whichever is inapplicable

~~Policy 205-207, 216-220, 312-314, 323-328, 332-333~~
The item described above contains information that has been exempted under sub-section 33(1)(a) of the *Archives Act* 1983.

The facts on which the decision is based:

It is possible that information in this file, if disclosed, could cause damage to the security, defence or international relations of the Commonwealth of Australia.

Reasons for the decision:

Section 33(1)(a) of the *Archives Act* 1983 provides that a record is exempt if it contains information or matter the disclosure of which under this Act could reasonably be expected to cause damage to the security, defence or international relations of the Commonwealth.

Decision maker : Day
Designation : APS 5
Date : 19/3/02

Australian Archives
DOCUMENT REMOVAL ADVICE

312-314, 323-328, 332-333

Folio/s numbered 208-207, 216-220
has/have been removed from this item.

Series/Accession No.: A1838/277 Item No.: 3103/11/62 Pt 1

Document description: Japan - Relations with France

Reason for removal: 333(1) a

A copy/expunged copy has been inserted in place of folio/s _____

Number of folios removed: 19

Removed documents now controlled as: _____

Removed by: Day Position No. 30118 Date 19/3/02

Pink - Item copy Yellow - Document copy Blue - Register copy



DO NOT OPEN

This acid-free mask contains ^{2 cm}~~5-25~~ folios
with the date range ~~1922-76~~

The contents of the mask are:

☐ Exempt from public access under
paragraph(s) of the *Archives
Act* 1983. You have a statutory right to seek
a review of the exemption.

☒ Not in the open period as defined
by the *Archives Act* 1983.

Date mask applied: ^{19 MAR 02}~~15-2-02~~

NAS 1061 (SEPT 1999)

Series no:

Item no:

3103/11/62

239

DEPARTMENT OF FOREIGN AFFAIRS
INWARD CABLEGRAM

VBR4
FROM
AUSTRALIAN EMBASSY
PARIS

I.130007
TOD 22.12.1971...1705
TOR 23.12.1971...0516

5853 RESTRICTED

URANIUM ENRICHMENT

'LE MONDE' 22 DECEMBER, REPORTS UNDER TOKYO DATE LINE, THAT JAPANESE ATOMIC ENERGY COMMISSION HAD ANNOUNCED THAT AN AGREEMENT HAD BEEN REACHED 21ST DECEMBER BETWEEN FRANCE AND JAPAN ON THE CREATION OF A JOINT WORKING GROUP TO STUDY THE CONSTRUCTION OF A URANIUM ENRICHMENT PLANT. THE WORKING GROUP WOULD EXAMINE ALL TECHNOLOGICAL AND ECONOMIC ASPECTS OF A PLANT.

2. WE ARE NOT SEEKING ANY CLARIFICATION FROM THE FRENCH PENDING YOUR FURTHER INSTRUCTIONS.

FOREIGN MINISTER
DEPT FOREIGN AFFAIRS
MIN AND DEPT T AND I
MIN AND DEPT NAT DEV
AAAEC(S) (I/T)
TREASURER AND TREASURY
MIN AND DEPT DEFENCE
BMR
JIO
PM'S

the Wilson

(P)

ACTION: EP NA

SEC DEPSEC(A) PR SLA A/FAS(A) NA SA A/FAS(PW) PC EAME
DP IC FAS(DVP) AID ICR FAS(IO) EP UNIA SAS(LGL) LTB
UNL FAS(MS)

BRUSSELS GENEVA LONDON OTTAWA PRETORIA TOKYO VIENNA WASHINGTON
WELLINGTON

RESTRICTED

RESTRICTED



3103/11/62.

288

AUSTRALIAN EMBASSY,
PARIS

Memo No.: 1076

14 October, 1971

File No.: 225/19

The Secretary,
Department of Foreign Affairs,
CANBERRA, A.C.T.

Visit of Emperor Hirohito to France

Emperor Hirohito visited Paris from 2-5 October as part of his European tour. Although the Emperor was received by President Pompidou and met several French Ministers, including the Prime Minister, at a luncheon at the Elysée, the visit was regarded from a protocol viewpoint as being private. The programme was therefore taken up almost entirely by sight-seeing.

2. For the French the visit had little if any political significance, but the serious-minded "Le Monde" took the line in an editorial that the Emperor's voyage could be interpreted as an assertion of Japanese independence, especially as regards the United States, and that it marked a new phase in Japan's relations with the outside world. Most other newspapers, however, were only mildly interested and tended to see the visit to France as a sentimental journey which enabled the Emperor to renew his memories of a country he had visited fifty years ago as Crown Prince.

3. A copy of this memorandum is being sent for information to the Australian Embassy, Tokyo.

u
(R. J. Greet)
Counsellor

→ Japan section
orig. on 25/1/4/16
fin 20/10

287

I.87570

2.

3103/11/2/3

3103/11/52

3103/11/62

JAPAN COMMUNIST PARTY

23-8-71

RESTRICTED

5. A delegation from the French Communist Party led by Central Committee member Rene Piquet visited the JCP in Tokyo from 6 to 13 August. On 16 August a joint communique marking the visit was issued simultaneously in Tokyo and Paris. According to press reports a main objective of the communique was to assist in creating a "third largest force" within the international Communist movement. The two parties agreed to promote relations with Communist parties of other countries on the basis of independence, equality, non-intervention in internal affairs and "international solidarity". The communique confirmed that the war in Vietnam was an "international confrontation" between "imperialism" and "anti-imperialism". It said that the two parties would jointly endeavour to form a united front to assist the peoples of Indo-China in waging their war against "imperialism".

6. On 14 August it was announced at JCP headquarters that the party mission headed by Chairman of the Praesidium of the Central Committee Kenji Miyamoto would leave Japan on 19 August, over Savingram No 35 refers. The announcement contained a surprise in that it revealed the mission would be visiting the Soviet Union as well as Romania, Italy and North Vietnam. Local press commentators are interpreting the unexpected visit to Moscow as a sign that the JCP has given up hope of improving its relations for the time being with Peking. The mission will be away from Japan for about one month. It will be Miyamoto's first visit to the Soviet Union in five years.

RE:

TEXT OF JOINT COMMUNIQUE ON FRENCH CP DELEGATION'S VISIT TO JAPAN

Tokyo AKAHATA in Japanese 16 Aug 71 p 1 T

[Text] In accordance with the communique on the JCP delegation's visit to France in October 1968, the French Communist Party delegation visited Japan from 6 to 13 August 1971, at the JCP's invitation. The delegation comprised Rene Piquet, French Communist Party Central Committee Politburo member and secretary (chief delegate); Henri Jourdain, Central Committee member and responsible member of the Economic Committee; Seine-St-Denis, Central Committee member; Lucien Mathey, responsible member of the Prefectural Committee; Patrice Jorland, member of the Foreign Policy Committee of the Central Committee. On 8 and 12 August, the delegation talked with the JCP delegation which comprised Tetsuzo Fuwa, Central Committee Standing Presidium member and chief of the Secretariat (chief delegate); Kazuyoshi Sunama, Presidium member and responsible member of the International Affairs Committee; Toshio Sakaki, Secretariat member and chief editor of theoretical political magazine ZENEI; and Horihiro Ara, Central Committee member and chief of the Trade Union Department.

On 12 August, the French Communist Party delegation attended the JCP Central Committee's reception which was attended by Central Committee Presidium Chairman Kenji Miyamoto, Deputy Chairman Satomi Hakamada, standing presidium member Tomio Nishizawa, and all JCP delegates.

cont. C6

The two delegations have confirmed that an individual communist party knows best the situation in its own country. Individual parties should determine their policies as their independent responsibility. Differences of opinions among the individual parties should not obstruct the maintenance and development of relationships between communist parties, based on the principle of independence, equality, mutual noninterference in internal affairs, and international solidarity. The two delegations unanimously expressed their determination to work for the indispensable unity of the international communist movement in accordance with Marxism-Leninism and proletarian internationalism.

The two delegations expressed their positive solidarity with the Indochinese people who are heroically struggling against the U.S. imperialist aggression. An agreement was reached between both sides that the South Vietnam Provisional Revolutionary Government's seven-point proposal, which is supported by the DRV, is a reasonable, realistic means to settle the Vietnam issue. The two delegations believe that the Vietnamese people have the right to decide their own destiny themselves. The two delegations have confirmed that they will prevent any U.S. scheme; oppose the U.S. aggression in Indochina; demand the complete withdrawal of U.S. forces; and support the Indochinese peoples politically, spiritually, and materially. Both sides believe that these actions are the most urgent and common task of all the anti-imperialist forces.

The two delegations have confirmed that the Vietnam issue is the present-day focus in the international confrontation between imperialist and anti-imperialist forces. Both sides declared that an effective form of an international united front for supporting the Indochinese people, taking into account their ability to participate in it, will be sought, and that efforts will be made to promote international cooperation along this line.

235
3/03/11/62 (cont.)
IV. 18 Aug 71

C 6

JAPAN

During its stay in Japan, the French Communist Party delegation inspected the AKAHATA editorial office and Akatsuki printing office; visited the JCP Tokyo Metropolitan Committee to hear its activities in various fields, including increasing the organ's circulation; and visited the Tama district to inspect the situation in the vicinity of U.S. military bases and party activities in the district. During its stay in Tokyo, the delegation visited the Japan Democratic Youth League Central Committee to inspect its activities and to hear its experiences. The delegation also called at the JCP Kyoto Prefectural Committee to be informed about its party activities. The delegation conversed with scholars and teachers in Kyoto and visited places of scientific and historic interest there.

The delegation met with Tokyo Metropolitan Governor Minobe to hear his experiences in progressive local administration. The delegation visited the theatrical troupe Zenshinza and was warmly welcomed by Ganemon Nakamura and other troupe members.

The French Communist Party delegation showed deep interest in these conversations and visits.

In the talks between the two party delegations, the JCP delegation explained the political and economic situation in Japan and the JCP policy line and activities. The two delegations exchanged views on the problems which concern them. The talks were conducted in the atmosphere of comrade solidarity and friendship. Both sides have confirmed that the two parties share common tasks under the circumstances of highly developed capitalist countries, and that continual friendly exchanges between the two parties in the future will be beneficial.

The two delegations have confirmed that an individual communist party knows best the situation in its own country. Individual parties should determine their policies as their independent responsibility. Differences of opinions among the individual parties should not obstruct the maintenance and development of relationships between communist parties, based on the principle of independence, equality, mutual noninterference in internal affairs, and international solidarity. The two delegations unanimously expressed their determination to work for the indispensable unity of the international communist movement in accordance with Marxism-Leninism and proletarian internationalism.

The two delegations expressed their positive solidarity with the Indochinese people who are heroically struggling against the U.S. imperialist aggression. An agreement was reached between both sides that the South Vietnam Provisional Revolutionary Government's seven-point proposal, which is supported by the DRV, is a reasonable, realistic means to settle the Vietnam issue. The two delegations believe that the Vietnamese people have the right to decide their own destiny themselves. The two delegations have confirmed that they will prevent any U.S. scheme; oppose the U.S. aggression in Indochina; demand the complete withdrawal of U.S. forces; and support the Indochinese peoples politically, spiritually, and materially. Both sides believe that these actions are the most urgent and common task of all the anti-imperialist forces.

The two delegations have confirmed that the Vietnam issue is the present-day focus in the international confrontation between imperialist and anti-imperialist forces. Both sides declared that an effective form of an international united front for supporting the Indochinese people, taking into account their ability to participate in it, will be sought, and that efforts will be made to promote international cooperation along this line.

August 10, 1971

3103/11/62
3103/7/11
234

Bright Prospects Obtained for Increasing Exports of Unshu Mikan to US:
Agriculture-Forestry Ministry Horticulture Bureau Director General ARAKATSU

Agriculture-Forestry Ministry Raw Silk and Horticulture Bureau Director General ARAKATSU, who visited the US for a period of ten days from the end of July to seek the expansion of our country's "Unshu mikan" exports to the US in return for import liberalization of grapefruit and conducted negotiations with persons concerned, returned home on the 9th. He held a press conference and stated, "The US side is taking an attitude to the effect that it cannot help studying in a forward-looking manner an increase in the number of the States which will lift the ban on imports of 'Unshu mikan.' So, bright prospects have been obtained for increasing exports of 'Unshu mikan' to the US."

The Agriculture-Forestry Ministry predicts that at the meeting of the Japan-US Joint Committee on Trade and Economic Affairs to be held in September, a new proposal on an increase in the number of the States, which will lift the ban, will come to be made by the US side, at the earliest, and is strengthening the view that this proposal will serve to increase exports of "Unshu mikan" of this year's crop.

Imports of grapefruit were liberalized at the end of June. However, the increase in the number of States, which will lift the ban on imports of "Unshu mikan", which had been demanded by our country to the US side, for some time past in return for the liberalization of grapefruit, has not made any progress at all on the grounds of plant quarantine. So, only five States -- Washington, Idaho, Oregon, Montana, and Alaska -- are at present importing "Unshu mikan."

Because of this, Bureau Director General ARAKATSU and others, who went to the US on July 30, held talks with US persons concerned, such as Assistant Secretary of Agriculture PALMBY and Assistant Secretary of State TREZISE, and conducted negotiations to the effect, "As our country has implemented import liberalization of grapefruit in compliance with the US desire, we want the US side to lift the ban on imports of 'Unshu mikan' as to all the States this time."

SO

NIHON KEIZAI (Full)

Eve., August 9, 1971

Foreign Ministry Protests

Concerning the nuclear test, which was conducted in the South Pacific by France, the Foreign Ministry announced the following statement by the Public Information and Cultural Affairs Bureau Director General, making a protest against the nuclear test and strongly calling for immediate suspension.

France conducted its fourth nuclear test this year at Mururoa Atoll in the South Pacific on the 8th (Greenwich time: 6:30 p.m.). Japan has lost no opportunity to express its position of opposition to all nuclear tests by all nations. Toward the nuclear tests by France, Japan already made strong protests in statements by the Foreign Ministry Public Information and Cultural Affairs Bureau Director General, dated June 6, 1971 and July 5, 1971, calling for immediate suspension of the tests.

It is extremely regrettable that France is still continuing the tests, disregarding completely the accumulated protests of Japan. Japan, which wishes for peace and the safety of mankind, hereby calls strongly for immediate suspension of the tests, again.

SA

TOKYO SHIMBUN (Full)

August 10, 1971

MITI to Formulate General Plan for Carrying Out "Orderly Marketing" System;
Guidance toward Industrial Circles to Be Sped Up; Expert Team to Be
Formed Even during This Month

The trade and commercial policies are being forced to change, with the strengthening of the international competitive power of Japanese enterprises. MITI on August 9 decided on a policy to formulate a concrete general plan for carrying out an orderly marketing system. This system is a measure to prevent the concentration of exports on specific countries from rebounding in the form of dumping charges or import restrictions by other nations. MITI also intends to set up a project team within the Ministry even as early as during this month and to unify various views on the orderly marketing system.

During the past several years, exports by our country have been in a very favorable tone. Especially in regard to major items, such as color TV sets and iron and steel, exports to the US, since around this March, have been continuing to increase so sharply as to cause the fear that the "rate of increase may be too high." At the beginning, therefore, there was strong criticism of the proposed orderly marketing system. However, a mood favoring this system has finally come over industrial circles, too, partly because the Trade Council (Chairman: Prime Minister SATO) meeting, held on August 3, decided to give up establishing an export goal.

Even in regard to exports to the US alone, the check prices (lowest export prices) of color TV sets have risen by five percent. Concerning portable electronic computers, too, the formation of an export cartel is being hastened. In the case of iron and steel, autonomous restrictions are being carried out for the purpose of holding down the annual rate of increase to three percent. The automobile industry is moving in the direction of raising the export prices in September. Thus, moves for checking the sharp upward curve of exports are becoming marked.

Under such circumstances, MITI has decided to formulate a general plan for carrying out an orderly marketing system, because it has come to judge that our country must fundamentally rescutinize its trade and commercial policies. MITI also thinks it possible to carry out exports rather quickly and also from a broad viewpoint, with the orderly marketing plan as the axis, though exports have hitherto been carried out in various ways.

Therefore, MITI intends to establish a setup, which will make it possible to gather, analyze, and study quickly information from official overseas organs of the Government, JETRO (Japan External Trade Recovery Organization), and trading firms, to provide data to various types of industries and export traders on the basis of the results of these analyses and also from a general standpoint, and to clarify a policy for avoiding any friction, as quickly as possible.

In order to push an export policy covering "many markets and many kinds of goods," MITI plans to expand its survey networks through the mutual dispatch of survey missions with countries, with which trouble may arise, and through the grasping of the actual situation and to hold export consultative conferences frequently with industrial circles to discuss countermeasures sufficiently in advance. MITI also plans to strengthen its administrative guidance for the purpose of pushing effective orderly marketing measures, such as the presenting of demands for price rises, depending on circumstances, the promotion of formation of export cartels based on the Export-Import Transactions Law, and invocation of the Trade Control Ordinance.

NMI

3103/11/62
233

Tokyo JPS in English 0901 GMT 16 Aug 71 B--FOR OFFICIAL USE ONLY

[Text] Tokyo Aug 16 JPS--The Communist Party of Japan and the Communist Party of France simultaneously on August 16 released a joint communiqué on the "French Communist Party's visit to Japan" in their respective party organs AKAHATA and L'HUMANITE.

The communiqué was drafted at a conference between the Japan Communist Party delegation and the French Communist Party delegation, which visited Japan from August 6 to 13. It confirms that the Vietnam issue "is the present day focus of international confrontation between imperialism and anti-imperialist forces," and states:

"An effective form of an international united front for supporting the Indochinese peoples, taking into account their convenience to take part in it, will be sought and efforts will be made to promote international cooperation for it."

The communiqué also confirms that both sides "share common tasks under the circumstances of highly developed capitalist countries, and continual fraternal exchanges between the two parties in the future will be beneficial."

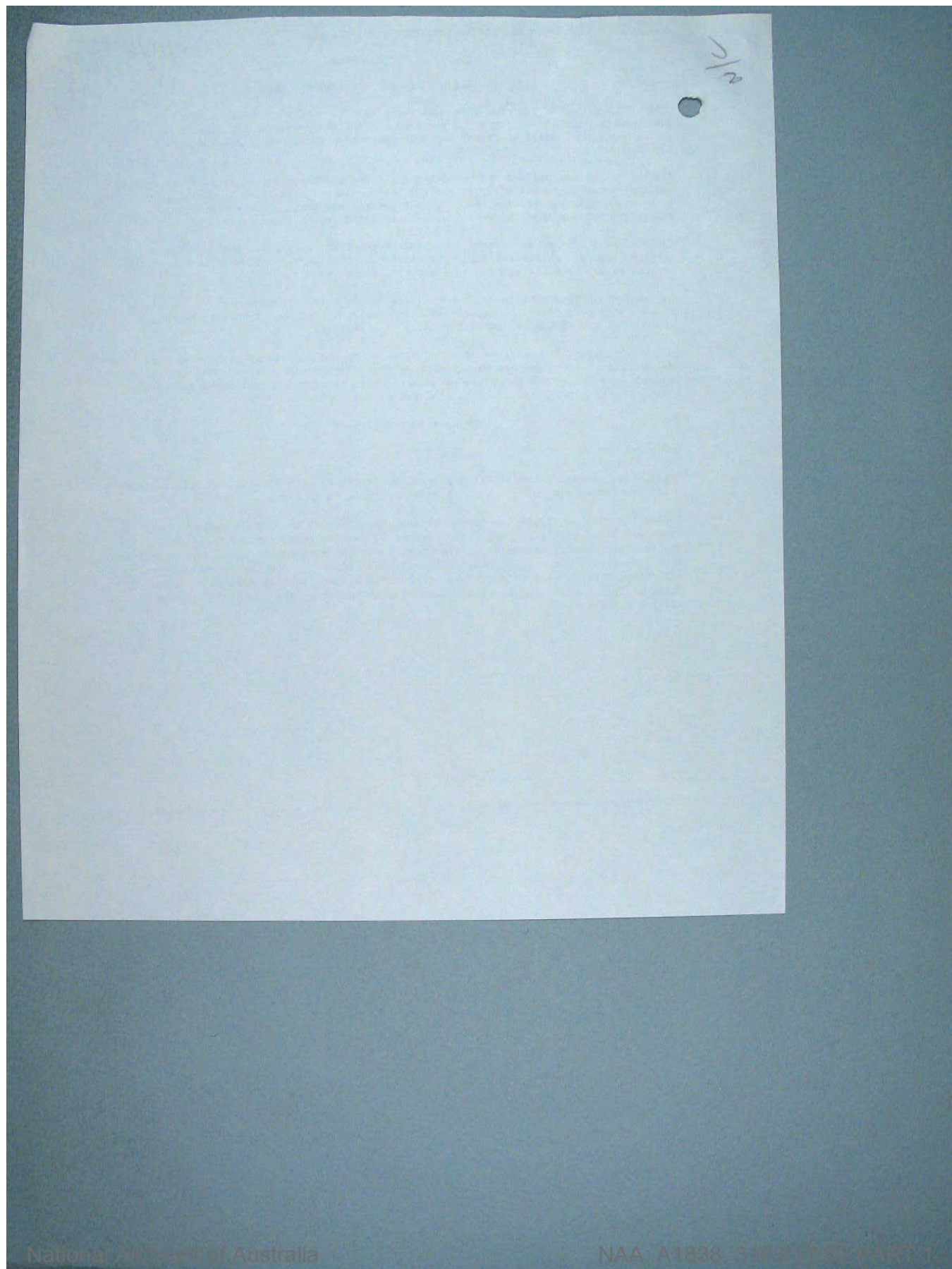
It also declares: "The difference of opinions among the individual parties should not obstruct maintenance and development of the relationship between communist parties grounded on the principle of independence, equality, mutual non-interference into internal affairs and international solidarity."

Delegation's Departure

Tokyo AKAHATA in Japanese 14 Aug 71 p 1 T

[Text] The French Communist Party delegation headed by Rene Piquet, Central Committee Politburo member and secretary, left Japan for home on 13 August.

During its stay in Japan, the French delegation called at the JCP headquarters and exchanged views with a JCP delegation headed by Tetsuzo Fuwa, Central Committee Standing Presidium member and chief of Secretariat, on the problems in which both delegations were interested. On hand at Tokyo international airport to see the French delegation off, among others, were Tetsuzo Fuwa, Central Committee Standing Presidium member and chief of Secretariat, and Kazuyoshi Sunama, responsible person of the International Affairs Committee.



282

3103/11/62.

JAPAN WEEKLY TIMES

14/8/71

'Insult to People'

3103/11/62
3103/7/1/1

Nagasaki Residents Shocked by N-Test

NAGASAKI (Kyodo) — The French nuclear test conducted Sunday evening (3:30 a.m. Monday JST) shocked residents of Nagasaki and drew sharp protests from ban-the-bomb campaigners now gathered here.

Shigero Ikeyama, an official of the Japan Congress Against Atomic and Hydrogen Bombs (Gensuikin) said the French test was a "most serious insult" to the people of Nagasaki.

"We cannot but consider that today's French nuclear test was conducted on purpose on this day," he said.

"This is the day that we pray for the peace and repose of the A-bomb victims in Nagasaki. This is a most serious insult to the people of Nagasaki."

Yoshiaki Yoshida, an official of another antibomb group, the Japan Council Against Atomic and Hydrogen Bombs (Gensuikyō) also called it an insult.

He said testing a nuclear device on Aug. 9, of all days, constituted a grave insult to the people here.

The French appeared to be after their "imperialistic glory of the past," he said.

"This is nothing but an

anachronism. We will file a strong protest with the French Government," he said.

Japan Protest

The Foreign Ministry in a statement Monday protested the nuclear test conducted by France Sunday in the South Pacific.

Japan made these requests to France on June 6 and on July 5, the statement said.

3103/11/62 231

AGE 10/8/71

Japan again protests at French tests

TOKYO, August 9. — Japan today again demanded the immediate suspension of the current series of French nuclear tests in the Southern Pacific, following another explosion earlier today.

Mr. Tsutomu Wada, director of the Foreign Ministry's information bureau, said "It is gravely regretted that France is continuing her nuclear testing, ignoring Japan's repeated protests.

"We demand immediate suspension of the testing in pursuit of peace and safety of all mankind," he said.

France exploded a low-intensity nuclear device at its Pacific Ocean test site, a French Defence Ministry spokesman said in PARIS yesterday.

The explosion, part of a series aimed at the miniaturisation of French nuclear weapons, was the fourth of its type this year.

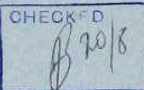
The blast took place over Mururoa Lagoon, in French Polynesia.

It was the 43rd test undertaken since France entered the "atomic club" in 1960, when it set off an A-type bomb in the Sahara Desert.

France and China are the only countries which continue to carry out nuclear tests in the atmosphere and this has led to protests from Japan, Australia, New Zealand and a number of South American nations.

The nuclear weapons now being developed are intended for use in France's three-stage nuclear arsenal.

—AAP Press



230
3/03/11/62

J.T.W.
24/7/71

recently instructed Tanaka to try to materialize both trade and investment liberalization of computers, apparently taking into consideration the increasing tensions in Japan-U.S. economic relations.

The MITI pamphlet warned that if the liberalization was realized, the immature domestic computer industry would be overcome by the U.S. computer industry which has overwhelming power in both capital and technology, MITI sources said.

It pointed out that U.S. computers, represented by IBM, now have a 50 per cent share of the Japanese market although Japan is restricting computer imports, controlling foreign investment in the industry and imposing high tariffs, the sources said.

The Japanese computers account for only 2.2 per cent of the total world market, while the U.S. computers control 94 per cent, and European computers 3.8 per cent, it said.

The combined computer sales of the six Japanese computer makers were only ¥153,000 million in fiscal 1969, less than those of CDC, low-ranking U.S. computer maker.

Furthermore, the domestic computer industry would suffer a huge loss estimated at ¥350,000 million if the users of the domestic computers cancel the present rental contracts and turn to much more sophisticated and higher-performance U.S. computers, once the liberalization was realized.

The pamphlet said the domestic computer industry would become almost "extinct" as was the case in Europe in the 1950s when it liberalized computer imports and foreign investment.

the need of the Government's strong fiscal measures to support the computer industry, particularly in efforts to catch up with the U.S. in the software field.

France Proposes Japan Uranium Joint Venture

France has approached Japan for joint construction of a uranium enriching plant in the Pacific area, it was learned here recently.

According to Science and Technology Agency and French Embassy sources in Tokyo, the proposed plant, if built, will be the fourth equipment of the type for civil use in the Free World. Three such plants are now in operation in the United States.

The sources said that France proposes to set up such a plant jointly with Japan and, possibly with Australia also, to produce the fuel for Japanese and French nuclear-powered power generating plants.

The French Government wants to set up the plant with an annual production capacity of 6,000 tons at a total cost of \$600 million to \$1,000 million, the sources said.

They said that France is asking Japan to take a share in the payment of the necessary cost.

If Japan accepts the approach, France will open to Japan its technological know-how of the gaseous diffusion, a common method used in the enrichment of the uranium, the sources said.

Communist China, he said.

Japan should not be necessarily criticized for being left behind the pace of U.S.-China rapprochement, because of her special, difficult position as a neighbor of China, and of her historical relations with Nationalist China.

He said he had thought this U.S. move would occur sooner or later when he witnessed China's "Ping-Pong diplomacy" launched in Japan last March.

changed to Government's policy on inflation.

The interest rates on commercial bank currency and other types of bonds are likely to be lowered to talks between the Ministry and the Bank to adjust their views.

The Bank of Japan so far to the idea

Red China Trade Handbook Published for Businessmen

A 348-page handbook on trade with Communist China, the first publication of its kind issued by the Japan External Trade Organization (JETRO), went on sale July 15 throughout the country.

JETRO said that it had decided to publish the book in answer to a large number of inquiries from Japanese businessmen on ways to open business with Communist China.

Such inquiries began coming in to the JETRO office after Red China's diplomatic moves in the spring, JETRO said.

The book explains the tariff, exchange control and payment settlement systems in Japan-China trade, and presents specific examples on how to conduct business with the Chinese.

A list of firms doing business with China under the so-called "friendship trade" agreements and the data on the recent trend of Chinese imports from Western countries also appear in the book.

The book also says that Japan-China two-way trade, which has

amounted to \$5,000 million in the past 20 years, will be the abolition of various restrictions.

JETRO said that the book was available at the organization's publication centers and major bookstores for ¥1,000 per copy.

A total of 5,000 copies were printed in the first edition. Advance orders have been received for 1,000 copies by the organization.



3103/11/62
2. 209

DAILY NEWS FROM JAPAN
6-7-71

announcing this, states it has advised the Ministry that it will have to begin planning a special cargo airline and special cargo airports.

The council will itself suggest certain measures.

It adds:

"Japan Air Lines now handled 30 to 40 percent of the cargoes now leaving Japan.

"The point is being neared at which a new company will have to be created to deal wholly with the fast-increasing traffic".

... end 414.

PROTEST AGAINST FRANCE'S NEW PACIFIC NUCLEAR TEST

415. The Government has made an official protest to the French Government against the nuclear test explosion at Mururoa Island in the South Pacific.

Announcing this, Mr. Tsutomu Wada, Director-General of Information for the Foreign Office, said:

"The message states that Japan expresses regret that the test should have taken place in disregard of the earlier request for suspension of the series, and asks that the tests be discontinued immediately".

#

3103/11/62

France sounds slashing parity

Japanese Governmental quarters say that the French Government and its central bank recently sounded out the Japanese Government on a plan calling for raising the price of gold and in actuality devaluing the dollar.

This was reported by the Nihon Keizai Shinbun on May 19 with regard to increasing moves among various countries to restudy the international monetary system as a sequel to the monetary unrest in Europe.

The salient points of the French plan, reportedly conveyed to the Japanese Government via the French Embassy in Tokyo, were said to be as follows:

First, leading countries, including Japan, should reduce uniformly and within a given margin the parity of their currency which now is based on the parity of the dollar put at \$35 per ounce of gold.

Second, the marginal reduction of the dollar parity in such a case should be wider than that for other countries and be aimed in actuality to produce the effect of devaluation of the dollar.

In other words, it was said to be aimed at ad-

(Continued on Page 9)

3103/11/62
JAPAN ECONOMIC JOURNAL

25-5-71

France probes— 3103/11/62

(Continued from Page 1)
justing the value of the dollar, which is presently overvalued, in line more with actual conditions.

Japanese Government quarters concerned were prone to suspect that France's objective was to effect a cut of the parity of currencies of various countries by as much as around 50 per cent.

If this was carried out, they said that Japan stood to incur a major loss since the ratio of gold holdings in its foreign exchange reserves is extremely small and the value of Japan's dollar assets would depreciate.

They said that such a step additionally would mean an upvaluation of the yen in relation to the dollar from an actual lowering of the dollar parity.

These quarters went on to comment that while reduction of only the dollar parity would impair the U.S.'s international reputation, it appeared that resistance to the French plan might weaken in the U.S. if all of the other leading countries also devalued their currencies.

They thought also that if the U.S. agreed to a wide margin reduction larger than that of other countries, the dollar parity would become favorable to it in relation to other currencies and serve to help correct its balance of payments deficit.

They noted, furthermore, in this regard that sentiment still remains tradi-

tionally strong in favoring gold over the dollar in France ever since Premier Charles de Gaulle's days and the French people always have supported raising the price of gold.

The French plan, however, was not considered to represent a challenge to dollar domination as during the de Gaulle era.

These quarters said that the French Government already had broached its plan to leading European countries and that most of them, excluding West Germany, seemed in favor of complying with it.

They suspected also that Britain might support the French plan since it is anxious to adjust its views with France in its present efforts to seek admittance in the European Community.

On the other hand, it was noted that various European countries found now themselves in a weak position in their relations with the U.S. with regard to the latter's hope to reduce U.S. garrison forces in West Germany as well as its troops committed to NATO.

It thus is problematic whether they can put direct pressure on the U.S. to accept the French plan. There was also the political aspect of whether gold-producing countries, such as the Republic of South Africa and the Soviet Union, should be allowed completely to benefit from raising of the gold price, they said.

3103/11/62
227

S.M.H. 10-6-71

Japanese nickel talks

TOKYO, Wednesday. — The French Societe Le Nickel has reopened negotiations with a group of 19 Japanese firms to build a ferro-nickel smelter on the French Pacific island of New Caledonia, a Japanese spokesman said today.

The Nippon Steel Corporation, the country's biggest nickel user, said Mr David De Rothschild, representative of the French firm, was holding talks with Japanese leaders on the proposed project.

The spokesman added that negotiations were likely to last until Mr Rothschild leaves for home on June 11.

3103/11/62
226

FBI'S DAILY REPORT
25-5-71

MEMORANDUM ASKS FRANCE TO STOP PLANNED NUCLEAR TESTS

Tokyo KYODO in English 0749 GMT 22 May 71 T

[Text] Tokyo May 22 KYODO--The Japanese Government called on the French Government Saturday to stop its planned nuclear tests in the South Pacific.

The request was made in a memorandum sent to the French Government through Yoshino Nakayama, Japanese Ambassador in Paris.

The French Government had told Japan that it planned to carry out a series of nuclear tests in the Mururoa atoll in the South Pacific between June 1 and September 30.

In the memorandum, the Japanese Government reminded France that Japan has steadfastly opposed all kinds of nuclear tests.

The government pointed out that the new tests would adversely affect world efforts for general disarmament.

It also expressed grave concern over the possible contamination of the environment as a result of nuclear explosions in the areas concerned.

3103/11/62

225

AZCZC H44372 221441 XH3133
OO HQ

42

3103/11/62
3103/11/62

MEMO 5-22

42
3103/11/62
TOKYO, MAY 22 (UPI)--THE JAPANESE GOVERNMENT TODAY URGED THE FRENCH GOVERNMENT TO WITHHOLD FRANCE'S PROJECTED NUCLEAR TEST IN THE SOUTH PACIFIC.

THE STOP-THE-ATOM TESTS DEMAND WAS MADE IN A MEMORANDUM SENT TODAY TO THE POMPIDOU GOVERNMENT THROUGH YOSHIRO NAKAYAMA, JAPANESE AMBASSADOR IN PARIS.

EARLIER PARIS OFFICIALS HAD TOLD JAPAN IT WOULD CARRY OUT A SERIES OF NUCLEAR TESTS IN THE MURUROA ATOLL IN THE SOUTH PACIFIC ON A PERIOD BETWEEN JUNE 1 AND SEPT. 30.

WHILE REPEATING JAPAN'S STEADFAST OPPOSITION TO ALL KINDS OF ATOMIC EXPLOSIONS, THE MEMORANDUM SAID NEW TESTS WOULD ADVERSELY AFFECT GLOBAL EFFORTS FOR GENERAL DISARMAMENT AND EXPRESSED CONCERN OVER THE POSSIBLE CONTAMINATION OF THE ENVIRON AROUND THE PLANNED NUCLEAR TESTING SITES. -- (UPI)

T-1141P/THA065

NNNN

3103/11/62

WV

FBI'S DAILY REPORT 12/5/71

ATOMIC AGREEMENT WITH FRENCH--The Japanese Atomic Energy Research Institute signed a 5-year agreement with the French Atomic Energy Agency on 6 May to carry out joint research work on material test reactors. According to the agreement, Japan and France will exchange information on the improvement of technology concerning material test reactors and "hot laboratories." (Tokyo ASAHI 7 May 71 Evening T)
(FOR OFFICIAL USE ONLY)

228

Japan Economic Journal 20/4/71

FRENCH GOVT
'WELCOMES'
JAPANESE 3103/11/62

Francois Essig, vice-director of the Land Consolidation & Regional Development Agency of France, last week told the press in Tokyo that the French Government would welcome Japanese firms to launch business in France, particularly if they would employ French workers and produce goods that can be exported to other countries.

During his 10-day stay in Japan, he had talks on the matter with leaders of major trading firms and business organizations.

Japan Economic Journal 13/477

222

Influential French combine to open office in Tokyo in May

3/03/11/62

Amid rising interest in Japan among French financial quarters, the Banque de Paris et des Pays-Bas group, an influential financial-industrial combine based in Paris, is going to open a resident representative office in Tokyo early in May, according to Katsuyuki Aoki, Nihon Keizai Shimbun's Paris correspondent.

The group, which represents France's largest industrial financing business, is playing a major role in the progress of industrial reorganization in France, according to Aoki.

Its move into Japan is also noteworthy in that it is intended for promotion of industrial cooperation and interchanges between France and Japan, Aoki said.

Jacques de Fouchier, leader of the group, outlined in Paris earlier this month the bank's main interest in Japan is acting as a go-between in such areas as 1) resources development in developing countries, involving Japanese capital; 2) Japanese businesses' move into Europe and developing countries; and 3) European enterprises' move into the Japanese market.

Banque de Paris et des Pays-Bas is just one example of French banking institu-

tions showing an active interest in doing business with Japan.

When Banque Francaise Commerciale extended a bank loan to a Japanese computer rental company toward the end of last year, the deal drew particular attention as it was the first French commercial bank loan to Japan after the end of World War II. There is continued strong interest in extending credit to Japanese enterprises, Aoki said.

For an instance, Credit Lyonnais, whose operation has grown into one of an international scale, is eyeing chances of strengthening ties with Japan. Its president recently expressed readiness to consider accepting Japanese banks into the international banking group it forms with Com-

merzbank of West Germany and Banco di Roma of Italy.

Most of French banks' representative offices in Japan have been opened in the past one year or two, in demonstration of the rapidly growing interest of French financial circles in Japan.

These banks include Banque Nationale de Paris, Credit Lyonnais, Societe Generale and Banque de Union Europeenne.

303/71

THE JAPAN ECONOMIC JOURNAL

303/11/62

BY JAPANESE INDUSTRIES

FOREIGN TRADE

France to invite cooperation in regional development plans

The French Government has decided to send a special delegation to Japan to seek Japanese governmental and business circles for cooperation in its regional industry development program.

This was reported last week by Katsuyuki Aoki, Nihon Keizai Shimbun correspondent in Paris.

According to Aoki, Andre Bettencourt, minister of the Delegation a l'Amenagement du Territoire et l'Action Regionale (DATAR) last week invited Yoshihiro Nakayama, Japanese ambassador to France, and top representatives of Japanese commercial and banks in Paris to a reception.

At this reception, the French minister clarified that the French Government has decided to send a delegation to Japan for inviting Japanese industries to operate in France and sought the cooperation of the Japanese attendants.

It is understood that this French delegation, which will be headed by Francois Essig, deputy vice minister of DATAR, will comprise four or five members, including Georges Schapiro, commissioner for the industrialization of Saint-Etienne-Ales Zone and Mediterranean Area.

The French delegation is scheduled to meet leaders of the competent governmental ministries and representatives of the major industrial groups, such as Mitsubishi and Mitsui, during their stay in Japan from April 4 through 14, this year. At such talks, the French delegation will have close talks with Japanese leaders regarding the possibility of the advance of Japanese enterprises into France, according to Aoki.

According to the French minister, the French Government is desirous of having Japanese enterprises advance into France for the

purpose of acquiring their cooperation in regional development and industrial modernization projects, the two principal targets of its 8th (1971-75) economic development program.

The 6th economic development program reportedly places top stress on the project for regional development and employment expansion in the regions along the Mediterranean coast centered on Western France and Marseille in the wake of the industrial rehabilitation project in the coal field district in Northern Lorraine already in operation.

It is understood that the French Government wishes to invite Japanese enterprises having a high growth potential to play a role in the economic development

project in the coastal region of the Mediterranean.

According to the French minister, the advance of Japanese enterprises into France is expected to prove highly effective for expanding French markets in the European Economic Community as well as Africa and Eastern Europe, which are closely related with France traditionally or on the basis of preferential tariff arrangements, although it also will contribute to the domestic French market.

It also reportedly is held by the French minister that the advance into France will sufficiently benefit Japanese industries, experiencing difficulty in finding new factory sites due to environmental pollution and labor shortages.

According to Aoki, however, the French Government is not desirous of having Japanese enterprises purchase existing French industries. Instead, it in principle wishes Japanese enterprises to make new investment or expansion of operating French factories.

The French Government reportedly also requires Japanese enterprises advancing into France to abide by the basic conditions of the French foreign exchange policy based on the following premises:

First, Japanese enterprises advancing into France will depend on foreign (non-French) capital for funds.

Second, they will contribute to expansion of employment and acceleration of development of new technologies.

The French Government also appears to be desirous of having such Japanese industries as electronics, machinery and automobiles advance into France under its new program, according to Aoki.

215

FOREIGN AFFAIRS

RELATIONS WITH FRANCE

Death of General de Gaulle

16. Japan was represented at the funeral of General de Gaulle on 12th November by the Minister for Foreign Affairs Mr Aichi. Messages of condolence were sent from the Emperor, the Prime Minister Mr Sato, and Mr Aichi. The messages spoke of de Gaulle's contributions to world peace and his achievements as the leader of France.

CONFIDENTIAL

3103/11/62

Tokyo Ltr 48 of 16/11/70

INWARD SAVINGRAM

5.

- (3) that such commitments entered into between the two Governments do not in any way affect existing commitments with respect to third states and are not directed against them.

15. In addition, a much longer Declaration was issued setting out in the form of a communiqué the detailed results of the visit. This referred, *inter alia*, to the proposed European Security Conference (to which President Pompidou gave cautious support while emphasizing the need for careful preparation), bilateral economic co-operation, the opening of new consular posts (a Soviet post in Marseilles and a French consulate in Leningrad) and an invitation to Messrs. Brezhnev, Kosygin and Podgorny to make an official visit to France in 1971.

Peace Talks

16. There was a continued stalemate on the Paris peace talks. On 22nd October the North Vietnamese rejected "definitively" President Nixon's five-point peace proposals of 7th October, reiterating that the Vietnamese problem could only be settled on the basis of the Communist proposals of 8th May 1969 and 17th September 1960. Vice-President Nguyen Cao Ky of South Vietnam departed for Saigon on October 8th after a two-week visit to Paris, but returned later in the month.

Japan

17. The 8th Session of annual Ministerial talks between Japan and France was held in Paris on 6th October between Mr. Schumann and the Japanese Foreign Minister, Mr. Aichii. We understand from the Foreign Ministry that the main interest of the talks was in a general exchange of views on international questions and that the Japanese delegation, because of Japan's common border with the Soviet Union, showed particular interest in the French assessment of the U.S.S.R./West German treaty. Bilateral matters discussed were co-operation in joint commercial projects in developing countries (there is already a joint uranium mining project in Niger) and in nuclear energy. The negotiation of an agreement in the nuclear field, initiated in April this year, has not yet been concluded.

Communist China

18. The former French Foreign Minister, M. Couve de Murville, commenced a three-week private visit to Communist China on 6th October. Although the French Government regarded the visit as private, all reports suggest that he was accorded a lavish reception which included meetings with both Mao Tse-Tung and Chou-en-Lai. The French Foreign Ministry commented to the Embassy that although the French Government regarded M. Couve de Murville's visit as private, the Chinese authorities would

CONFIDENTIAL

CONFIDENTIAL

this year.

AICHI: JAPAN READY FOR NUCLEAR AGREEMENT WITH FRANCE

Tokyo General Overseas Service in English 0300 GMT 4 Oct 70 B

2B

[Text] Japanese Foreign Minister Mr Aichi has said that Japan is ready to sign a nuclear cooperation treaty with France. Concluding 2 days of talks in Paris with his French counterpart, Mr Maurice Schumann, Mr Aichi said that Japan's condition is that the agreement on peaceful use of atomic energy should be based on complete reciprocity, including on the question of control of fissionable material. Mr Aichi added that Japan is opposed to all nuclear weapons tests, and France should stop its nuclear testing in the Pacific.

Referring to Japanese-French economic cooperation in Indochinese and African countries, Mr Aichi said that Japan favors multilateral cooperation with other countries or through international organizations rather than bilateral cooperation. Mr Aichi gave as an example of Japanese-French cooperation in Africa an agreement concluded last spring for the exploitation of uranium [word indistinct] reserves in Niger. He said that if adequate progress is achieved, Japan and France will pursue and strengthen their cooperation further. The next Japanese-French ministerial consultations will take place in Tokyo next year.

File 3103/11/62

→①3103/11/62

RESTRICTED

Tokyo saving 42/1970

212

RELATIONS WITH FRANCE

Visit by Mr Aichi

26. The Minister for Foreign Affairs Mr Aichi visited France from 2nd to 4th October. Mr Aichi visited Paris to attend a session of the regular Ministerial level consultations with Mr Schumann, the French Minister for Foreign Affairs. The talks actually began at an official level on 1st October because Mr Aichi's arrival was delayed through his attendance at the funeral of President Nasser. Mr Aichi also had talks with President Pompidou. Mr Aichi's discussions with both Mr Schumann and President Pompidou covered a wide range of subjects including the Middle East, China, bilateral trade, and a possible nuclear agreement between Japan and France.

.../8

RESTRICTED

With the compliments of:

JAPAN INFORMATION SERVICE
Consulate-General of Japan,
3rd Floor, Wynyard House,
291 George Street, Sydney, N.S.W. 2000.
Telephone: 29 4349.

DAILY NEWS from JAPAN

News items cabled from Tokyo by Jiji Press.

No copyright, and no restrictions on use, whether for immediate publication or as background material.
PLEASE NOTE: Any comment is that of the source given, not of this office.

File 3103/11/62

October 8, 1970.

AGREEMENT WITH FRANCE ON PEACEFUL USES OF NUCLEAR ENERGY

655. The Foreign Minister, Mr. Kiichi Aichi, following his return from Paris, where he conferred with President Georges Pompidou and the Foreign Minister, M. Maurice Schumann, has announced an agreement under which Japan will co-operate with France in nuclear and other technological fields (including exchange of fissile material).

It was also agreed to cooperate actively in development projects for African countries.

"It is recognised in France that Japan does not concern itself with nuclear armament" Mr. Aichi said.

"The nuclear section of our agreement refers to developing peaceful uses of nuclear energy".

... end 655.

→ ③ 3103/11/62
210

Tokyo savg 42/70

RESTRICTED

RELATIONS WITH FRANCE

Visit by Mr Aichi

3103/11/62

26. The Minister for Foreign Affairs Mr Aichi visited France from 2nd to 4th October. Mr Aichi visited Paris to attend a session of the regular Ministerial level consultations with Mr Schumann, the French Minister for Foreign Affairs. The talks actually began at an official level on 1st October because Mr Aichi's arrival was delayed through his attendance at the funeral of President Nasser. Mr Aichi also had talks with President Pompidou. Mr Aichi's discussions with both Mr Schumann and President Pompidou covered a wide range of subjects including the Middle East, China, bilateral trade, and a possible nuclear agreement between Japan and France.

.../8

RESTRICTED

RESTRICTED

289
3103/11/62
FBIS 129

II. 6 Jul 70

J A P A N

C 1

AKAHATA ATTACKS NIXON'S REPORT ON CAMBODIA

Tokyo JAPAN PRESS SERVICE in English 0936 GMT 3 Jul 70 B (FOR OFFICIAL USE ONLY)

[Text] Tokyo Jul 3 JPS--AKAHATA, the central organ of the Japan Communist Party, on July 3 carried an editorial titled "Nixon's Another Deception" [as received]. It condemned the U.S. President's "Report on Cambodia" and made a comment on his appointment of a new chief delegate at the Paris talks.

The editorial points out that none of the "fruits" mentioned in Nixon's report leads to a genuine peaceful settlement of the Vietnamese question. On the contrary, they show his design to expand the aggression and dominate Indochina. This again exposes the true character of the Nixon doctrine which aims at carrying out the aggression at the sacrifice of the Asians, the AKAHATA editorial says.

(?That) Nixon spoke on television in connection with the appointment of David Bruce is regarded by the communist paper as old (? "mutualism").

The AKAHATA editorial again stresses that the Indochinese question cannot be settled without the obvious aggression by U.S. imperialism being stopped and the issue being left to the people of the three Indochinese nations. It points out new developments in the situation on Indochina, including rapid progress of the joint struggle of the three Indochinese peoples, the aggravating crisis of the Lon Nol regime, and the deepening isolation and sharpening contradictions of the Nixon administration.

AKAHATA stresses the more and more urgent need for all people loving peace and justice to further strengthen support for the just struggle of the Indochinese peoples.

X FOREIGN MINISTRY CONDEMNS FRENCH NUCLEAR TEST

Tokyo KYODO in English 0333 GMT 4 Jul 70 T

[Text] Tokyo Jul 4 KYODO--The Foreign Ministry Saturday issued a statement protesting against the nuclear test carried out by the French Government at the Mururoa atoll in the South Pacific.

The statement, which was issued in the name of Naraichi Fujiyama, director-general of the Public Information Bureau of the Foreign Ministry, expressed regret over the French nuclear test, which, he said, had been carried out in spite of the repeated protests and opposition from the Japanese Government. It emphasized Japan's stand against all nuclear tests and demanded that the French Government cancel its plan for future nuclear tests at once.

UPI-021W

AICHI 9/2

2-9-70

3103/11/62

Handwritten signature

208

PARIS, SEPT. 2 (UPI)--JAPANESE FOREIGN MINISTER KIICHI AICHI WILL VISIT FRANCE AT THE END OF THE MONTH TO CONSULT GOVERNMENT OFFICIALS ON FRANCO-JAPANESE RELATIONS, JAPANESE OFFICIALS SAID TODAY.

AICHI IS EXPECTED TO ARRIVE IN PARIS SEPT. 30 AND WILL MEET PRESIDENT GOERGES POMPIDOU, FOREIGN MINISTER MAURICE SCHUMANN AND PREMIER JACQUES CHABAN-DELMAS BEFORE RETURNING HOME OCT. 4.

AT THE SAME TIME A JAPANESE MINISTERIAL DELEGATION WILL BE MEETING WITH ITS FRENCH COUNTERPARTS, THE OFFICIALS SAID.

FM1146AED

3103/11/62

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

JMS 7

I.40907

FROM

TOD 14.4.70...1725 LT

AUSTRALIAN EMBASSY
TOKYO

TOR 14.4.70...1833 LT

832 CONFIDENTIAL

ADDRESSED CANBERRA 832 REPEATED PARIS OP.105 WELLINGTON OP.106.

FRENCH NUCLEAR TESTS.

OUR 766.

MUTO INFORMED US 14TH APRIL THAT JAPANESE EMBASSY IN PARIS HAD
RECEIVED NOTIFICATION ON 9TH APRIL OF FORTHCOMING PACIFIC TESTS.

PROTEST NOTE REGRETTING THE FRENCH DECISION TO HOLD TESTS
AND URGING ABANDONMENT OF TESTS WAS SUBMITTED IN PARIS ON 13TH

A/MIN AND DEPT E.A.
A/MIN AND DEPT DEFENCE
A.A.E.C. (S)
SUPPLY (C) T/T
MET. BUREAU (M)
D.C.A. (M)
SHIPPING AND TRANSPORT
NAVY
P.M.'S DEPT
D.C.O.
P.M.'S

SEC DEP SEC FAS(1) INT SEA DL FAS(2) UNØ PACAM EA
FAS(3) FAS(4) EAMEC E ICR PIO

LIMA LONDON MEXICO CITY NAURU NEW YORK (UN) NOUMEA
PARIS SANTIAGO SUVA WASHINGTON WELLINGTON

CONFIDENTIAL

3103/11/62
Pam Sign 40 of 6.11.69

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD SAVINGRAM

- 3 -

I.119356

Soviet Union with further Western contacts as a means of preserving their national independence. The expulsion of two French journalists at the time of Mr Schumann's visit demonstrated that there remains much mutual suspicion between the two countries which is not likely to be overcome quickly.

Japan

5. Mr Schumann also visited Tokyo between 22nd and 26th October for a further round of the annual meetings held between the two countries at the level of Foreign Minister. In his report to cabinet on the visit, Mr Schumann underlined the need for French industrialists to be more aware of the economic development and vitality of Japan and announced that there would be a subsequent exchange of Ministers of Scientific Research. (The Japanese Minister is to visit Paris on 6th November and Mr Ortoli will return the visit next year when he represents France at the Osaka Fair.)

Quebec

6. Franco-Canadian relations deteriorated once again as a result of the actions of the French Secretary of State for Foreign Affairs, Mr J. de Lipkowski, who visited Quebec between 9th and 16th October but declined an invitation to call at Ottawa, and who issued tendentious statements on Quebec's constitutional prerogatives in relation to satellite communications. French cabinet spokesmen commented twice on the subject. Firstly, after a meeting on 15th October, Mr Schumann claimed that the de Lipkowski visit was within the framework of the Paris/Quebec agreement approved by the Canadian Government. Again after the cabinet meeting on 22nd October the Secretary of State responsible for Information said the Canadian Prime Minister's attitude was unexpected and linked to internal problems in Canada which were not the concern of the French Government.

7. The French decision to rekindle the controversy seems odd after the uneventful visit to Canada of Mr Plevin last month (paragraph 27 of our September summary refers), and it is interpreted by some commentators as a gesture by Mr Pompidou to the orthodox Gaullists. Sniping at Ottawa in the way chosen by de Lipkowski attracts some favour from nationalistic elements in France who resent the extension of "Anglo-Saxon" cultural influences, but there was general criticism in the press of the Government's latest foray in this field: a le Monde editorial on 12th/13th October, for example, questioned what gain there was for Paris in present circumstances by being more Quebecois than the Quebecois.

Western European Union

8. Despite the indications during Mr Pompidou's visit to Bonn

.../...

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

EXTERNAL AFFAIRS

22
FILE No. 3103/11/62
DATE 17-12-69

SUBJECT Japanese/French Atomic Energy Co-op.

FOR File

A paper on this
subject prepared in Jan
1969 has been placed
on file 3103/5/3/1

A.

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

3103/11/62

201

RMH 3

I.120175

FROM

TOD 25.11.69...1915 LT

AUSTRALIAN HIGH COMMISSION
LONDON

TOR 26.11.69...0611 LT

20124 SECRET PRIORITY

FOR: J.I.C.
FROM: HENDERSON

GLAD TO KNOW IF YOU HAVE ANY COMMENT ON DRAFT J.I.C. NOTE
N 230 ON FRANCO-JAPANESE NUCLEAR CO-OPERATION.
NOTE WAS DEFERRED AT J.I.C. LAST WEEK PENDING FURTHER CANADIAN
COMMENTS BUT IS TO BE CONSIDERED AGAIN BY J.I.C. THIS WEEK.

2. DRAFT ITEM ON SOVIET NAVAL MOVEMENT IN THE PACIFIC INCLUDES
REFERENCE TO A STATEMENT BY THE SOVIET AMBASSADOR IN CANBERRA
THAT THE GROUP OF NAVAL VESSELS IS ON A ROUND THE WORLD
OCEANOGRAPHIC CRUISE.

D.I.S. OBTAINED THIS INFORMATION FROM THE U.S. NAVAL DAILY
IN WASHINGTON.

CAN YOU PROVIDE ANY AMPLIFICATION OF, OR BACKGROUND TO, WHAT
THE AMBASSADOR SAID?

E.A.
D.C.O.
P.M.'S

SEC DEP SEC FAS(1) AS(JIC)* INT SEA DL
FAS(2) PACAM EA AMSP FAS(3) FAS(4) EAMEC
E ICR PIO



CONFIDENTIAL

Memorandum No. 925
File No. 211/1

200
AUSTRALIAN EMBASSY,
PARIS.

2nd October, 1969.

The Secretary,
Department of External Affairs,
CANBERRA.

Franco-Japanese Relations

We were given confirmation last week by the Japanese Embassy (Matsunaga, Counsellor) that the French Foreign Minister, Mr. Schumann, would be visiting Japan later this month for a few days from 23rd October to continue the regular annual exchanges of views between the two countries at ministerial level.

2. Matsunaga agreed that the visit should be helpful as a means of turning Schumann's attention towards Asian problems since his background was essentially European. The Japanese expect talks to deal with perennial questions of trade between the two countries, but there will also be discussion about China and Viet-Nam. Matsunaga remarked that the French, like the Japanese, were showing considerable interest in a possible future economic role in Viet-Nam.

3. A copy of this memorandum is being sent to the Australian Embassy, Tokyo.

(J.A. Piper)
First Secretary

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM

JMW

I.70550

FROM

DATED

27/8/68
1600 LT

AUSTRALIAN EMBASSY
TOKYO

REC'D

27/8/68
1803 LT

1169

UNCLASSIFIED

(P) 3103/11/62

FRENCH HYDROGEN BOMB TEST - JAPANESE REACTION.

JAPANESE FOREIGN MINISTRY ON 25TH AUGUST ISSUED STRONG PROTEST
AGAINST FRENCH HYDROGEN BOMB TEST IN SOUTH PACIFIC.

PROTEST DEMANDED IMMEDIATE CESSATION OF FRENCH TESTS IN
RESPONSE WORLD PUBLIC OPINION.

FOREIGN MINISTRY SPOKESMAN SAID JAPAN OPPOSED NUCLEAR TESTING
BY ANY COUNTRY AND JAPANESE GOVERNMENT WAS MAKING "STERN PROTEST"
FOR THIRD TIME IN BELIEF THAT WORLD PEACE CANNOT BE OBTAINED WITHOUT
COMPLETE DISARMAMENT.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
A.A.E.C.
P.M.'S. DEPT
D.C.O.
P.M.'S.

28/8/68

SEC DEP SEC FAS(1) AS(JIC) INT SEA DL FAS(2) UN
PACAM EA AMSP PPO FAS(3) ER FAS(4) EAMEC E ICR
PIO

LONDON NOUMEA PARIS SUVA WELLINGTON



3103/11/62
198



RESTRICTED

AUSTRALIAN EMBASSY,
TOKYO

121/1

In reply quote No.

Memorandum No. 514

19th August, 1963.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Japan's Reaction to the French Devaluation

The Finance Minister Mr Fukuda and Mr Usami, Governor of the Bank of Japan, have both made statements to the press indicating that Japan understands the reasons for, and sympathizes with, the French devaluation. Their respective statements also said that Japan would not be greatly inconvenienced by the devaluation. This is understandable since dealings with France account for less than 1% of total Japanese trade, and the franc is rarely used to settle Japanese trade accounts. On the Tokyo foreign exchange market, dealings in francs account for only about 1% of the total volume of transactions. The Tokyo market dealt only in United States dollars on Saturday 9th and Monday 11th, but re-opened on Tuesday 12th with quiet trading in all currencies.

2. However, it will be interesting to observe the course of Japanese monetary/fiscal policies in the coming months. There are at present some inflationary tendencies within Japan's domestic economy and the main factor restraining the authorities from imposing a tighter credit policy at the moment is the favourable nature of the balance of payments. If the French devaluation leads to further currency instability in Europe, the rate of growth of world trade could be adversely affected. Any tendency in this direction will be reinforced if the United States is successful in controlling its domestic inflation. The prospects for the future growth of Japanese exports are consequently a little uncertain. At the same time there are signs that the high rate of domestic growth may lead to an increased rate of growth of imports in the coming months. Should these various factors have an unfavourable effect on Japan's external transactions the authorities may very well feel obliged to make some alterations to monetary/fiscal policies.

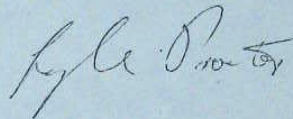
East Asia

RESTRICTED

(Orig. on 794/3/26)
Dist. Tan, T.I, EDC

197
RESTRICTED

3. In this context, if the Bank of Japan should wish to tighten monetary policy a technical opportunity is about to present itself. At present the Bank of Japan discount rate is expressed in sen (1/10th of a yen) per diem; the current rate on commercial bills is 1.60 sen/diem, which works out at roughly 5.84 per annum. It is now planned to begin expressing the discount rate in percent per annum and thus the current rate will have to be rounded to either 5.75% or 6.0% since it is envisaged that 0.25% will be the smallest alteration made under the new system. There would seem, under present circumstances, to be no chance of the discount rate being rounded down, while a rise of 0.16% to 6.0% would seem to be too small to have any real effect. In fact a rise in the discount rate to 6.25% or even 6.5% in the not too distant future is being speculated upon in the financial press.



(C.C. Proctor)
Second Secretary

RESTRICTED

UPI-349

MIKI 7/17

2ND LEAD UPI-132X

File 3103/11/62

196

PARIS (UPI)--JAPANESE FOREIGN MINISTER TAKEJI MIKI MET FRENCH FOREIGN MINISTER MICHEL DEBRE TODAY FOR A WIDE RANGING FOREIGN POLICY TALK AND AN ATTEMPT TO CIRCUMVENT TEMPORARY IMPORT QUOTAS IMPOSED BY FRANCE.

DEBRE GAVE A LUNCH FOR MIKI AT THE FOREIGN OFFICE THEN CLOSETED HIMSELF WITH THE VISITING MINISTER FOR A THREE-HOUR MEETING COVERING VIETNAM, KOREA, CHINA, THE PACIFIC AREA AND TRADE RELATIONS BETWEEN BOTH COUNTRIES.

THE 30 GUESTS AT THE LUNCHEON INCLUDED JUSTICE MINISTER RENE CAPITANT, FORMER DIRECTOR OF THE FRENCH HOUSE IN TOKYO, JEAN LIKOWSKI, SECRETARY OF STATE TO THE FOREIGN MINISTRY, FRANCOIS MISOFFE, FORMER MINISTER OF YOUTH AND SPORTS AND A FORMER FRENCH AMBASSADOR TO TOKYO, HERVE ALPHAND, SECRETARY GENERAL OF THE FRENCH FOREIGN MINISTRY, JAPANESE AMBASSADOR TO PARIS AKIRA MATSUI AND FRENCH AMBASSADOR TO TOKYO LOUIS DE GUIRINGAUD.

MIKI ARRIVED HERE FROM BRUSSELS TUESDAY NIGHT FOR SEMI-ANNUAL FRANCO-JAPANESE TALKS INAUGURATED IN 1963. THE HIGHLIGHT OF HIS OFFICIAL FOUR-DAY VISIT WAS A MEETING FRIDAY WITH PRESIDENT DE GAULLE.

THE JAPANESE AUTO INDUSTRY WHICH HAD BEEN MAKING INROADS INTO THE FRENCH CAR MARKET WAS HIT HARD BY THE IMPOSITION OF QUOTAS LAST JUNE. FRENCH AUTO MANUFACTURERS LOST AN ESTIMATED PRODUCTION OF 200,000 VEHICLES DUE TO THREE WEEKS OF CRIPPLING STRIKES AND THE QUOTAS WERE LEVIED TO PROTECT THE LOCAL FIRMS.

(MORE) B1032P414W

UPI-350X

MIKI 7/17

1ST ADD 2ND LEAD MIKI PARIS X X X FIRMS.

INFORMD SOURCES SAID MIKI WOULD ASK FRANCE TO LIFT ITS
TEMPORARY QUOTA ON JAPANESE VEHICLES DUE TO EXPIRE AT THE
END OF THE YEAR.

THE JAPANESE IMPORTS TO FRANCE ARE IN A BUDDING STAGE
AND MIKI WAS TO ARGUE THAT THE QUOTAS WOULD DANGEROUSLY SLOW
THE MOMENTUM.

IN 1966, JAPAN EXPORTED 132 VEHICLES TO FRANCE. IN 1967,
THE NUMBER ROSE TO 2,693 AND FOR THE FIRST FOUR MONTHS OF 1968,
3,805 JAPANESE VEHICLES WERE EXPORTED TO FRANCE.

JAPAN, ONE OF THE 21 NATIONS BELONGING TO THE ORGANIZATION
FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) WAS SCHEDULED TO
DISCUSS INTERNATIONAL TRADE THURSDAY IN A MEETING WITH OECD
SECRETARY GENERAL TORRIL KRISTENSEN AT THE ORGANIZATION'S PARIS
HEADQUARTERS.

BEFORE HIS MEETING WITH DE GAULLE FRIDAY, MIKI WAS TO CONFER
WITH AVERELL HARRIMAN, CHIEF U.S. NEGOTIATOR AT THE HANOI-
WASHINGTON TALKS FOR A PROGRESS REPORT OF THE DISCUSSIONS NOW
IN THEIR THIRD MONTH.

B1040P415W

195

UPI-138X

MIKI 7/16

2ND ADD 1ST LEAD MIKI PARIS (UPI-132X) X X X KOREA.

ON FRIDAY, THREE HOURS BEFORE MEETING DE GAULLE,
MIKI WAF TO CONFER WITH W. AVERELL HARRIMAN, CHIEF U.S.
NEGOTIATOR AT THE HANOI-WASHINGTON TALKS.

A JAPANESE EMBASSY SPOKESMAN SAID MIKI WOULD CONSULT
HARRIMAN ON THE PROGRESS OF THE TALKS.

MIKI WILL ALSO HOLD DISCUSSIONS DESIGNED TO INCREASE
JAPANESE EXPORTS TO FRANCE.

FRANCE IMPORTED 192 MILLION FRANCS (38.4 MILLION U.S. DOLLARS)
WORTH OF JAPANESE GOODS IN THE FIRST FOUR MONTHS OF 1966
COMPARED TO 147 MILLION (M) FRANCS (29.4 MILLION U.S. DOLLARS)
WORTH IN THE FIRST FOUR MONTHS OF 1967.

MIKI WAS SCHEDULED TO LEAVE SUNDAY FOR TOKYO.

MIKI TOLD A PRESS CONFERENCE IN BRUSSELS EARLIER TODAY
HIS COUNTRY PROBABLY WOULD SIGN THE NUCLEAR NON-PROLIFERATION
TREATY BEFORE THE END OF THIS YEAR.

PICKUP 2ND PGH: THE MINISTER

AL/8:48A/UPI-139X

COCAINE 7/16

File 3103/11/62 194

BUT OBSERVERS HERE DISMISSED THIS AS A LAME EXCUSE IN VIEW
OF THE ATOMIC ENGINE FOR FUTURE NUCLEAR POLARIS
SUBMARINES HAD BEEN PLANNED SOMETIME AGO.

MIKI'S AGENDA INCLUDED TALKS WEDNESDAY WITH MICHEL DEBRE,
HIS FRENCH COUNTERPART ON TOPICS TO INCLUDE VIETNAM, COMMUNIST
CHINA AND KOREA.

AL/8:30A/UPI-175W/UPI-179W

UPI-132X

MIKE 7/16

1ST LEAD (UPI-77 PVS BRUSSELS

PARIS (UPI)--JAPANESE FOREIGN MINISTER TAKEO MIKI
ARRIVED BY TRAIN TONIGHT ON AN EMBARRASSINGLY TIME VISIT
TO PROMOTE FRANCO-JAPANESE COOPERATION.

THE VISIT, SCHEDULED MONTHS AGO UNDER THE AEGIS OF AN
AGREEMENT TO HOLD SEMI-ANNUAL TALKS, COMES ON THE HEELS
OF AN OFFICIAL JAPANESE PROTEST TO FRANCE OVER LAST WEEK'S
RESUMPTION OF NUCLEAR TESTING IN THE PACIFIC.

OBSERVERS SAID MIKI WOULD HAVE TO EXERT THE UTMOST
DIPLOMACY WHEN HE MEETS PRESIDENT CHARLES DE GAULLE FRIDAY
TO AVOID IMPAIRING RELATIONS BETWEEN BOTH COUNTRIES.

THERE WERE INDICATIONS THE FRENCH WERE ALREADY IRKED BY
THE JAPANESE PROTEST.

MIKI HAD BEEN SCHEDULED AS LATE AS FRIDAY TO VISIT JULY 20
THE NUCLEAR TESTING CENTER AT CADARACHE IN SOUTHEAST FRANCE.
BUT THIS HAS NOW BEEN CANCELLED.

A JAPANESE EMBASSY SPOKESMAN DENIED THE CANCELLATION WAS
IN ANY WAY DUE TO JAPAN'S PROTEST OVER THE FRENCH RESUMPTION
OF NUCLEAR TESTING. HE SAID THE REASON WAS BECAUSE JULY 20
WAS A SATURDAY AND NO VISITS WERE ALLOWED SATURDAY.

BUT OBSERVERS HERE DISMISSED THIS AS A LAME EXCUSE IN VIEW
OF THE ATOMIC ENGINE FOR FUTURE NUCLEAR POLARIS
SUBMARINES HAD BEEN PLANNED SOMETIME AGO.

MIKI'S AGENDA INCLUDED TALKS WEDNESDAY WITH MICHEL DEBRE,
HIS FRENCH COUNTERPART ON TOPICS TO INCLUDE VIETNAM, COMMUNIST
CHINA AND KOREA.

AL/5:30A/UPI-178W/UPI-179W

493

Japan, France End Regular Meet

French Foreign Minister Maurice Couve de Murville said Saturday that it is the responsibility of the parties directly involved in the Vietnam war to find a way of ending the conflict.

Couve de Murville made the statement at a press conference held in the annex of the Imperial Hotel following the end of the fifth Japan-France annual consultations.

He said that during his talks with Foreign Minister Takeo Miki, he had been asked by Miki to give his views on settling the Vietnam war and what a third party could do to bring this about.

Couve de Murville said he had told Miki that the "most important thing is the problem of those who are directly involved in the war."

"I believe Foreign Minister Miki understood my way of thinking," he said. "Of course, France is vitally concerned with the settlement of the Vietnam war."

The French minister's views are believed to show a negative reaction to Miki's pet formula for settling the Vietnam war—the idea of third parties "guaranteeing the peaceful intentions of each of the belligerents."

Asked to comment on the cultural revolution in Communist China, he said that China's participation in the community of nations would be limited if the turmoil in that country continued.

Couve de Murville said it was hard to assess the future of the cultural revolution in China.

Couve de Murville and Miki discussed in some detail problems of Europe during the

last-day session of the fifth regular consultations between Japan and France Saturday morning, according to informed sources.

The French Foreign Minister spoke briefly on the post-war developments of European countries and explained the present European situation, the French Government's attitude toward the Soviet Union and East European countries and on the possibility of a West European organization.

Miki asked questions on Russo-U.S. relations, and questioned the French view on future developments in Russia, other East European countries and in the NATO countries.

Miki referred to the post-war reality of the divided nations and asked the idea of the French Minister for an amicable settlement of the problem. The French Foreign Minister, however, replied that no effective measures were available.

Couve de Murville, however, showed his sympathy toward the division of Germany and commented that the confrontation of the two Germanies did not bring settlement and should be replaced by a detente between them and that for that purpose, more contacts between the two Germanies were needed and contacts between the West and East European countries necessary.

The French Foreign Minister rated highly the fact that Japan tried to improve her relations with the Soviet Union and East European countries just at a time when West European countries adopted new policies aimed at closer ties with the Communist nations.

He also explained France's position which negates "the role of NATO as a military organization." He also explained his country's opposition to Britain's accession to the EEC, saying that Britain's preparation for the entry was insufficient.

The foreign ministers did

not take up the Middle East problem, the devaluation of the pound sterling and the nonproliferation of the nuclear weapons during the meeting.

But at the session, Miki made a new proposal concerning the timing of the liberalization of Japan's import of French goods. The liberalization had been discussed at Japan-France trade talks held repeatedly since January.

The French Foreign Minister accepted the Japanese proposal, thereby putting a virtual end to the trade talks.

Government sources said Saturday that France was certain to drastically reduce within three or four years its restrictions on imports of Japanese-made goods.

According to the sources, France at present is restricting the import of 71 items from Japan but these will be cut down to 25—similar to France's restriction list for imports from the Benelux nations, or even less.

This, the sources said, had become certain in the Japan-France trade talks conducted along with the two-day consultations that opened Friday.

AUSTRALIAN EMBASSY
PARIS

F 3103/11/62
191
ell ←

File Nos. 211/1/7
211/1
Memo No. 1197

2nd November, 1967.

The Secretary
Department of External Affairs
Canberra.

Franco-Japanese relations

It has been reported here that the French Foreign Minister, M. Couve de Murville will visit Japan between 1-2 December for talks with Mr. Takeo Miki as part of the regular process of consultation at this level between the two countries initiated by Couve's visit to Tokyo in 1963.

2. A copy of this memorandum is being sent to Tokyo.

✓
J. Piper
First Secretary

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA

Name of Paper *Daily News Service from Japan*

File No.

3103

/11/62

190

Published at

Sydney

Date

13/9/66

MORE STRONG PROTESTS AGAINST FRENCH NUCLEAR TESTS

947. Japan has protested against the latest French nuclear test at Mururoa atoll, and has renewed demands for total discontinuance of French nuclear explosions.

The Director of the Public Information Bureau at the Ministry of Foreign Affairs expressed "deep regret" about the new tests which the Government considers "pose a serious threat to the existence and well-being of mankind and run counter to world public opinion which hopes for nuclear disarmament."

The Opposition Socialist Party also has denounced the French nuclear blast "as a major challenge to the earnest wishes for a ban on atomic and hydrogen bombs cherished by not only the Japanese people, the first and only atom-bombed nation, but all the peoples of the world."

... end 947

Reactions to French Nuclear Test

15. Both the Liberal Democratic and Japan Socialist Parties condemned the French nuclear test held in the Pacific on 2nd July.

3103/11/62

5/...

CONFIDENTIAL

In a public statement L.D.P. Secretary General Kamei Tetsuo said that his Party opposed tests by any nation as a threat to world peace. He condemned the French test as being a danger to the lives of Japanese fishermen operating in the South Pacific. The Secretary General of the J.S.P. Tomomi Narita described the test as "a move to nullify the partial test-ban treaty and shatter the universal aspiration for a complete nuclear test ban." On 4th July the Government delivered a protest note against the continuation of the tests to the French Government through the Japanese Embassy in Paris. No further action is contemplated except to repeat the Japanese attitude in the general statement which Japan will make at the forthcoming U.N. Assembly.



3103/11/62

188

AUSTRALIAN EMBASSY,
TOKYO

In reply quote No. 120/12/2

Memorandum No. 363

11th May, 1966.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

JAPANESE-FRENCH ECONOMIC CONFERENCE

A joint communique published on 6th May in Paris at the end of three days of talks between business leaders of both nations spelled out the desire of both sides to strengthen Japanese-French industrial cooperation. However, shortly after, a number of key members of the Japanese delegation are reported to have claimed in private that the French were primarily interested in countering growing American economic influence abroad, stating that Japan is too much dominated by Anglo-Saxon business interests and that more room should be made for more French goods in Japan. A Japanese delegation member was reported to have said that "We had trouble convincing French businessmen that we do not have to ask for Government permission to do business. The French seem anxious to see us sacrifice our huge trading relations with the United States, Britain and West Germany just for the sake of gaining France's friendship." Pierre Sudreau, a former minister and chairman of the French Railroads Equipment Manufacturers Council who presided over the three day conference, is reported to have countered these charges saying, "We are sure of increasing soon our cooperation in many sectors. We wish to make sure that our cooperation is not directed against any particular nation."

2. The French it appears from reports were the more enthusiastic about the success of the talks, the Japanese having objected strongly against tariff walls against many of the nation's major exports in Europe. The French Government officials pointed out that liberalisation would continue to be slower than the Japanese sought due to risks to the large French textile trade, already gripped by a recession.

3. The joint communique said that Taizo Ishizaka, chairman of the Federation of Economic Organizations (Keidanren), and Georges Villiers, president of the French National Council of Manufacturers (CNPF), agreed on the need for a strengthening of contacts of Japanese and French businessmen with a view to improve mutual understanding and increasing commercial and technical exchanges. In the communique M. Pierre Sudreau, president of the French group of the French-Japanese committee, outlined the objectives and methods of the joint committee: the latter should play a triple role; become the meeting place and receiving point for observations and record difficulties; it should spell out and help eliminate legal and administrative obstacles for a closer cooperation and more intensive exchanges between business firms of the two countries; it should explore the fields of common interest. The Japanese delegation expressed its full agreement with this viewpoint.

Handwritten: Eliza Anna
Handwritten: J. J. Williams

Handwritten: (Orig. on 794/3/26)
Handwritten: Dist. T.I



187

4. Trade talks are to be held in Tokyo between the two nations at the end of this month and a second session of the economic conference is planned to take place in Tokyo in 1967.

AL

(R.E. Little)
Third Secretary.

Japan's Refusal to French Planes' Flights via Communist China to Affect Japan-French Relations

(Commentary)

At the Lower House Budget Committee meeting on the 18th, Transportation Minister NAKAMURA replied that flights of Air France planes into Japan via Communist China will not be approved. However, flights of Air France planes into Japan via Shanghai was officially proposed by the French Government to the Transportation Ministry Civil Aviation Bureau in November last year. The proposal of the French Government was made on the premise of conclusion of an aviation agreement which is being negotiated at present between Communist China and France, but if the proposal is made again, the Government has the intention to refuse because the flights will be made via Communist China with which our country has not yet normalized diplomatic relations.

The reasons are that: (1) it is clearly stipulated in the agreement that in case the flights are increased, mutual agreement between the two Governments is required, (2) Japan has not concluded an agreement with Communist China nor have flights on a private basis been realized, and (3) Japan has the air route to Taiwan which is making profits, and it will produce a direct effect on this route to approve flights via Communist China.

In particular, concerning flights via Communist China, as the opposition of the Foreign Ministry and the Justice Ministry is stronger rather than the opposition of the Transportation Ministry, if this matter comes to the surface, it will become necessary to co-ordinate opinions among the Government agencies. Moreover, if the French proposal is refused, it is believed that it will affect directly the relations between Japan and France, and therefore, future developments are extremely delicate.

SO

It goes without saying that effective demand must be stimulated from the standpoint of overcoming the current business recession. However, effective demand is not of such a nature that, no matter what its contents may be, it is all right if it is only created. I think that the balanced development of the economy will not be realized until the limited resources for the nation's economy are supplied preferentially and effectively to sectors which need them most urgently today.

Since private industries have surplus production facilities now and since there is no fear about the balance of international accounts, this is a good opportunity to push positively the increasing of social capital, which has hitherto been lagging, the construction of housing, the improvement of livelihood environment facilities, the modernization of agriculture, forestry, fisheries, and medium and small enterprises, and various other measures to form the basis for developing our country's economy in the future and also for improving the people's livelihood. I believe that, if these measures are taken steadily and repeatedly, it will lead to the establishment of the Japanese economy proposed by households and enterprises, which have sufficient accumulation. Following this basic way of thinking, I intend to operate the financial and monetary policies in the future.

Fortunately, the recent moves of the nation's economy show that demand from government and public offices has increased with an increase in the disbursement of public utilities funds and that the possibility of the commodity market being propped up has become stronger, with the inventory adjustment of some items making progress. Thus, future prospects for the economy are becoming bright.

Under such circumstances, I have compiled the budget, regarding fiscal 1966 as a year for solidifying the foundation of stable growth of our country's economy. I think that the planned large-scale reduction of ¥360 billion on a yearly basis in the national and local taxes will increase personal purchasing power, while strengthening enterprisers' enthusiasm for the future. It is thought, moreover, that a big increase in the budget and the disbursement of government funds under the financial and loan program will not only increase direct effective demand but will also expand economic demand as a whole by having effects on all aspects of the nation's economy.

In using the budget, we have decided to take concrete measures to move

3103/11/62

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

18

EOB. I.5753
DATED: 5TH FEBRUARY, 1966.
FROM: 1255
REC'D: 5TH FEBRUARY, 1966.
1029
AUSTRALIAN EMBASSY,
PARIS.

322. CONFIDENTIAL.

REPEATED LONDON 26, WASHINGTON 15, NEW YORK 7, BRUSSELS 15.
FROM WALKER.
VIETNAM.

THE JAPANESE AMBASSADOR (HAGUIWARA) SAW PRESIDENT DE GAULLE ON 4TH FEBRUARY AND CONVEYED AN INVITATION TO VISIT JAPAN, WHICH, THE PRESS REPORTS, WAS ACCEPTED IN PRINCIPLE.

2. HAGUIWARA TOLD ME (AT A RECEPTION) THAT HE HAD REMINDED DE GAULLE OF HIS STATEMENT LAST JULY TO THE JAPANESE PRIME MINISTER THAT FRANCE WOULD BE DISPOSED TO TAKE AN INITIATIVE WITH OTHER COUNTRIES TO PROMOTE NEGOTIATIONS ON VIETNAM BUT THE TIME WAS NOT THEN RIPE., HE ASKED DE GAULLE WHETHER FRANCE WAS WILLING TO CO-OPERATE IN SUCH AN INITIATIVE NOW.

DE GAULLE REPLIED THAT NOTHING COULD BE DONE UNTIL THE UNITED STATES MADE UP ITS MIND TO LEAVE VIETNAM.

HE ADDED THAT THE UNITED STATES WERE SO POWERFUL MILITARILY THAT THEY COULD LEAVE VIETNAM WITHOUT LOSS OF FACE.

(I OBSERVED THAT THIS REMARK MISSED THE WHOLE POINT OF UNITED STATES POLICY IN VIETNAM).

HAGUIWARA COMMENTED THAT THE FRENCH ATTITUDE SEEMED TO BE THAT SINCE THE FRENCH HAD BEEN OBLIGED TO LEAVE, THE AMERICANS MUST ALSO LEAVE IN THEIR TURN.

3. HAGUIWARA SAID THAT HE UNDERSTOOD THAT THE NORTH VIETNAMESE COMMERCIAL REPRESENTATIVE IN BRUSSELS (AS WELL AS THE REPRESENTATIVES IN MOSCOW AND PARIS) HAD RECENTLY LEFT FOR HANOI.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
RT. HON. W. MCMAHON
MR HEWITT
P.M.'S

5TH FEBRUARY, 1966.

SEC DS FAS(1,2,3,4) SAS(MS) AS(JIC) S&SEA M&I M@ DL SAMT SA
INT UN PACAM AMSP EAMEC E ICR PIO PPO EA
BANGKOK LONDON MOSCOW NEW DELHI NEW YORK(UN) OTTAWA PHNOM PENH
SAIGON SINGAPORE TOKYO VIENTIANE WASHINGTON WELLINGTON HONGKONG

CONFIDENTIAL

CONFIDENTIAL

EXTERNAL AFFAIRS



AFFAIRES EXTÉRIEURES

F-3103/11/62
184TO The Under-Secretary of State for External Affairs,
OTTAWA.

FROM The Canadian Embassy, TOKYO.

REFERENCE
RéférenceSUBJECT Franco - Japanese Relations
SujetSECURITY CONFIDENTIAL
Sécurité

DATE July 30, 1965.

NUMBER 4451
Numéro

FILE	DOSSIER
OTTAWA	
MISSION	20-JPN-13

ENCLOSURES
Annexes

Two

DISTRIBUTION

Embassy, Paris

LandC, Ottawa

Mr. Rogers
FE Circ.
C.O.Spencer (3)
Mr. DelworthEuropean Div.
UN Div.
Economic Div.
(w/enclosures)
AECL
(w/enclosures)
AECB
(w/enclosures)
Industry Dept.
Finance Dept.PermisNY
London
Washington
Vienna
Rome
Bonn
Hong KongFar Eastern/
C.O.Spencer/hd
Aug. 12/65Ext. 407C/811.
dmin. Services Div.)

Foreign Minister Shiina was in France on July 20 and 21 for the periodic Franco - Japanese ministerial level consultations. If anything, the net result of the current consultation appears to have been negative. Shiina never makes a good impression on foreigners; in the case of Couve de Murville, Toussaint, Counsellor of the French Embassy here, said that the lack of communication was virtually complete.

2. The talks between the Foreign Ministers were broken down into two stages: a general discussion on foreign affairs in which Couve expressed standard French views on the Common Market, NATO, and Article XII. The French took note but did not commit themselves in favour of Japan's candidature for a non-permanent seat on the Security Council at the 20th Session. (According to the Counsellor of the Italian Embassy, Shiina was successful in an earlier visit to Rome to get Italian support). The Japanese side reiterated their standard view on Vietnam: military operations were a necessary evil, and Japan looked forward to the possibility of negotiations. Toussaint categorically denied that there was any truth in press reports to the effect that either side had proposed joint mediation efforts in the Vietnam crisis. Trade and Industry Minister Miki had raised the possibility very indirectly when he had been in Paris earlier, but his suggestion had been coolly received by the French. According to Toussaint, Shiina had irritated Couve when, instead of speaking on China, he had decided to give the French a lecture on Taiwan, its importance to Japan, and the necessity of preventing it from falling into Peking's hands. (We asked Toussaint whether, given the basic differences between the attitudes toward China of the present French and Japanese governments, the French should really have been surprised that there should be differing approaches to the Taiwan question.)

3. On bilateral questions the Japanese have pressed the French over the years to free Japanese imports from quota controls, demands which have been resisted by the French because of the same pressures from domestic businessmen with which we ourselves are familiar. However, in return for an increased measure of liberalization, the French officially proposed some

... 2.

183
months ago that Japan and France should enter into an agreement on technical and industrial co-operation whose main object would be to encourage joint ventures between French and Japanese industries — especially in Japan. The Japanese did not respond enthusiastically to this proposal (although they presented a counter-draft whose exact terms are not known to us) partly because the conclusion of such an agreement would appear to be granting to one country privileges not granted to another country, but also because in the Japanese view joint ventures can be worked out between Japan and foreign countries under existing laws and without the necessity of an accord-cadre. Shiina had therefore limited himself to pointing out the difficulties in the way of concluding an agreement in the form requested by the French and had made a strong plea in traditional terms for liberalising restrictions on Japanese imports. According to Toussaint, Couve simply lost patience at this point, snapped shut the file, and said that any further discussions on the ministerial level were pointless and should be left to officials.

4. An exchange of Notes providing for co-operation in the nuclear field was the only concrete result of the meetings (copies are attached as well as an "Explanatory Note"). According to Toussaint, this was a Japanese initiative reviving an old proposal and designed to paper over the failure of the meetings in all other fields. Otsuka of the Scientific Section of the Gaimusho (who handed us the copies of the Exchange of Notes) gave us a different version, however, saying that the French had been pressing the Japanese for months for such an accord and that the Japanese had yielded only to buy peace. Otsuka said that the Exchange of Notes was in Gaimusho along an "okyo" — a sutra — a term used to cover any accord entered into for form's sake but without substance. (In the course of his remarks, Otsuka was notably critical of the pressure tactics of French Ambassador Miesoffe, a former Minister of the government and an unconditional Gaullist.) Otsuka's interpretation of the limited significance of the Exchange of Notes would seem to be borne out by the Explanatory Note which says in part " . . . in implementing specific cases of co-operation it will be required to spell out the conditions between the parties concerned as each case arises. By the same token, the Exchange of Letters in itself does not mean that a specific programme will be put into effect at once". (We gather that the Exchange of Notes has been published in Paris; we wonder whether the Explanatory Note has as well, and are not yet certain Otsuka intended us to have it or whether it was appended to the documents in error.) Otsuka said that the French had been seeking to interest Japanese industrialists in the purchase of nuclear plant and equipment by holding out the prospect of freedom from bothersome safeguards. However, he reassured us that only a small minority of Japanese potential purchasers had been attracted by the French feelers, and they were not yet numerous enough to put meaningful pressure on the Japanese government to look to France as a supplier primarily because of the attraction of freedom from safeguards.

5. We would be grateful if paragraph four of this letter could be communicated to A.E.C.L. and A.E.C.B.

T. M. POPE

The Embassy.

It would be helpful if paragraph four of this letter could be reworded to A.S.O.B. and A.S.O.B.

Page 59

CONFIDENTIAL



3103/11/62

21st September, 1965.

Australian Embassy,
TOKYO 631

Japan/France

Thank you for your memorandum 912 of 8th September, 1965 (your file 227/13/2). We agree with your proposals for forwarding information to Paris.

2. We do not see any need to send to Paris the regular fortnightly situation reports. We feel they would be too detailed for the requirements of our Embassy in Paris.

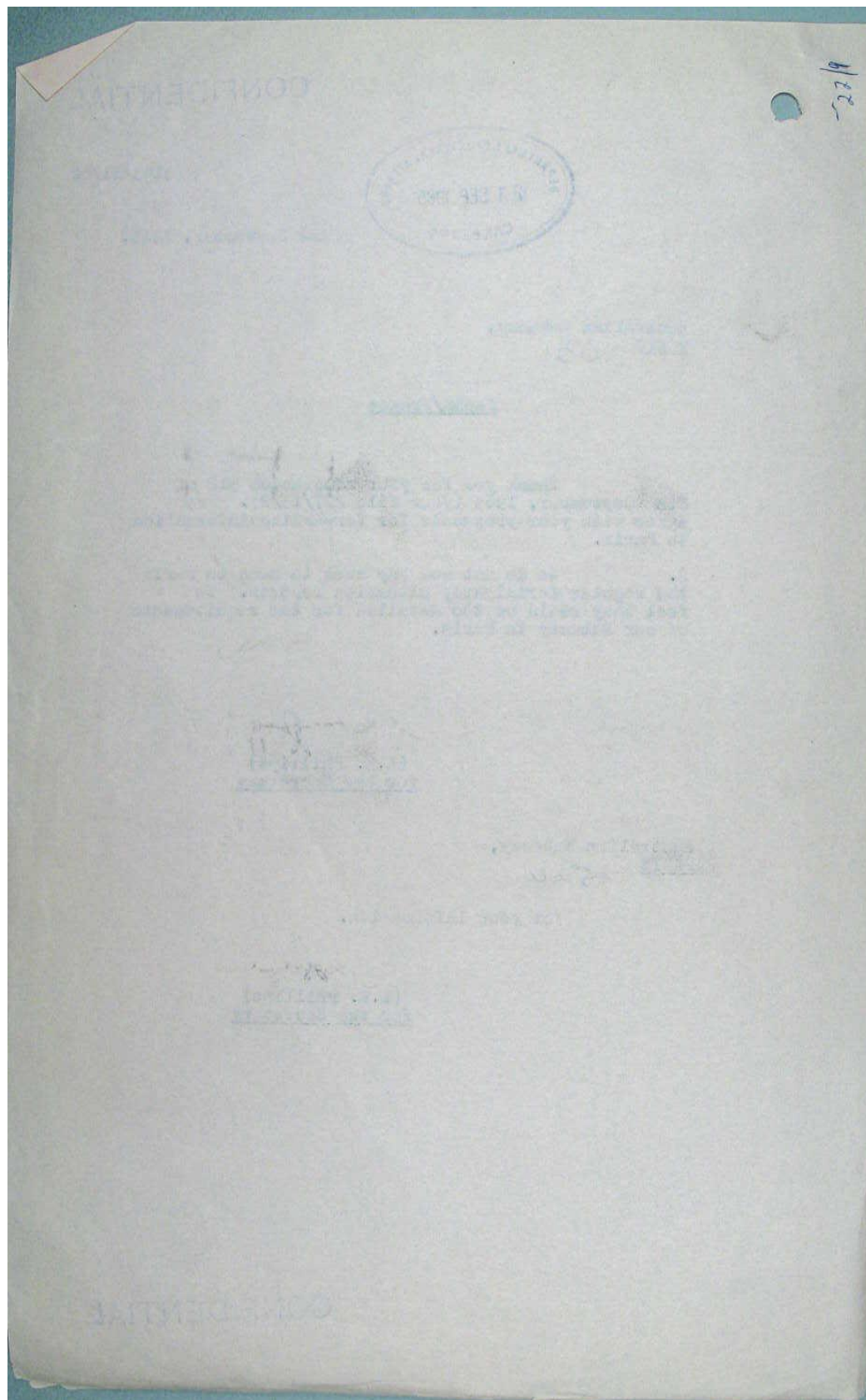
L
(L.E. Phillips)
for the Secretary

Australian Embassy,
PARIS 524

For your information.

L
(L.E. Phillips)
for the Secretary

CONFIDENTIAL



Name of Paper

Published at

East Asia
Japan Times Weekly
Tokyo

File No.

Date

3103/11/62-181
 31. 7. 65

Franco-Japanese Talks

Following on his successful visit to Rome, Foreign Minister Etsusaburo Shiina conferred in Paris with French President Charles de Gaulle and Foreign Minister Couve de Murville.

It was the occasion of the annual political consultation between France and Japan, and Mr. Shiina was also in Paris to attend a special meeting on Thursday last week of the Development Assistance Committee of the OECD.

A joint communique issued on Wednesday last week mentioned that the conversations between the two foreign ministers constituted the third annual Franco-Japanese consultation. The first was held in Paris in September 1963, and the second in Tokyo on the occasion of a visit here by French Premier Georges Pompidou and Mr. Couve de Murville in April 1964, when France had but recently recognized the Communist regime in Peking and Japan was anxious to obtain some clarification of French policy in regard to the Far East.

This year's communique stated that Mr. Shiina and Mr. Couve de Murville exchanged views on the recent evolution of events in Asia, in Southeast Asia in particular, as well as on European problems. "They have confirmed," it continued, "a desire to develop commerce between Japan and France, and are agreed on the necessity to tighten industrial and technical cooperation between the two countries. They have expressed the desire that the accord, which will soon be signed on the subject of the peaceful application of atomic energy, will serve to intensify industrial cooperation."

Just how far Franco-Japanese trade can be increased at the present time is perhaps a moot point but it is pleasing to know that at least the will is there. There is a strong desire in this country, of course, to increase trade, and especially the export trade, with Europe generally, and France's outstanding position in Europe is itself sufficient reason for encouraging as close commercial relations with that country as possible.

While we would like to see Japan's exports to France increased in order to equalize trade exchanges, France would certainly in return ask this country to buy more French goods, such as machinery, textiles, chemicals, toilet specialties, foodstuffs and wines.

The agreement on the peaceful use of atomic energy mentioned in the communique is understood to provide for an exchange of information on the subject between the two countries, and formal letters on this matter were exchanged in Paris on Friday last week.

According to the communique, the two foreign ministers examined diverse aspects of Franco-Japanese cultural cooperation and agreed that this was developing in a favorable manner.

They underlined the importance of the teaching of the French language and culture in Japan and the teaching of Japanese and Japanese culture in France.

France's high place in literature and art, music and science, and the importance of a study of French history to an understanding of the political development of Europe supply good reasons for cultivation of the French language in Japan, and it is pleasing to know that there are increasing numbers of students here undertaking this study. Growth of trade with French-speaking African countries is one further incentive to this development. The study of Japanese in France is probably always likely to be confined to a select few but we are glad to know of the increasing interest in France in things Japanese. This phenomenon is common to a number of Western countries today, and the tendency will doubtless see some extension in the future.

In the political field, it is understood this year's Franco-Japanese talks largely circled around the Vietnam conflict, as, indeed was only to be expected in view of the almost universal concern with this problem.

Mr. Shiina told a Paris news conference on Wednesday last week that Japan would spare no effort to help bring about a peaceful solution in Vietnam if it appeared that Tokyo could effectively contribute to a settlement. He said he had expressed this view in two days of talks with French Government officials, including President De Gaulle. He spoke of a desire for a "fundamental" solution and of Japan feeling "particularly close to the problems of Vietnam because of its proximity," but he did not offer any opinion as to what could be done or when Japan would be able to act. No doubt his French listeners were fully

aware that the present circumstances are hardly favorable for any positive move by Japan when so many others had failed.

We may conclude that last week's talks in Paris made no definite settlement of any problems of mutual interest to our two countries but this was hardly to be expected. We believe, however, they may well prove of value in increasing all possible cooperation in the future.



DEPARTMENT OF EXTERNAL AFFAIRS.
CANBERRA.

180
Mr. Phillips

Ref 912 attached

Well, what do we need
do - if anything, in respect
of the Paris suggestion which
sparked off our enquiry to
Tokyo? The marginal note
on the memo doesn't
tell me what's happening
or whether
what was done
was European
kind? FILED
RRE
IX



CONFIDENTIAL

AUSTRALIAN EMBASSY,
TOKYO

In reply quote No. 227/13/2

Memorandum No. 912

8th September, 1965.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.JAPAN/France
Your file 3103/11/62

Reference is made to your memorandum No. 584 of 26th August, 1965 in which you seek comment on the suggestion that we copy to Paris any material on Japan which is considered appropriate.

2. We see no strong objection to this proposal. In fact, there could well be merit in feeding into the Quai d'Orsay some of our own assessments, particularly as those outlined in Paris' memorandum No. 675 of 29th July would seem to us a little wide of the mark. In practice, however, we would suggest that the summary of current developments in Japan which might be of most use to Paris would be contained in the regular fortnightly situation report. Presumably you could get this to Paris as speedily as we could. Our despatches would also be copied to Paris through the regular Digest. We would not propose, therefore, minuting copies of the situation report or despatches unless otherwise directed. As regards other reports from this Embassy, we shall copy material which seems appropriate as you suggest.

3. As for the substance of Paris' memorandum No. 675, we would take issue with a number of the conclusions which M. Delahaye passed to Mr. Lewis regarding recent developments in Japan. In the first place, almost all political commentators in Japan give as the main reason for the defeat of the Liberal Democratic Party candidates in the Tokyo municipal elections the adverse publicity the party received following the indictment of L.D.P. members of the former Assembly. In the Diet Upper House Election, held just before the Tokyo Municipal Elections, there were three principal issues - Vietnamese policies, the economic situation and the Tokyo scandals. In the Diet elections, it was only in Tokyo that the L.D.P. lost heavily where the last of these issues was the one which commanded most attention. In the national electorate for the Diet elections, where the first two issues were debated keenly, the L.D.P. maintained its position. It therefore surprises us to hear that M. Delahaye discounts the influence of the scandals on the results.

4. M. Delahaye would seem to oversimplify the reasons for Japan's support of United States policy in Vietnam. It is true that economic considerations have considerable influence over the determination of Japan's foreign policy. In the case of Vietnam, however, there are other factors which we have outlined in more detail in our memorandum No. 762 of 14th July, 1965. Suffice it to say here that the security aspect is of considerable importance to the present Japanese Government, which has shown itself determined to abide by

copy has
been sent
to Mr. Lewis
Europe
12/9-65

M. Delahaye


CONFIDENTIAL

CHECKED
15 2/00

178
CONFIDENTIAL

the terms of the United States - Japan Security Treaty and to honour its obligations to the United States in all fields of cooperation. We see no reason why the present Government's policy will change substantially in the near future despite certain left-wing pressures for Japan's non-involvement in any way in Vietnam.

5. A copy of this memorandum has been sent to Paris.


(P.F. Peters)
First Secretary.

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper *TIMES.*

Published at *LONDON.*

File No. *3103/11/62*

Date *7-7-65*

**JAPANESE MINISTER IN
PARIS TALKS**

FROM OUR OWN CORRESPONDENT

PARIS, JULY 6

General de Gaulle today received Mr. Takeo Miki, the Japanese Minister for Commerce and Industry, with whom he discussed Vietnam and trade negotiations between France and Japan. Mr. Takeo Miki is going on to Moscow.

CONFIDENTIAL *AB*

file

3103/11/62

584

26th August, 1965.

Australian Embassy,
TOKYO

Japan/France

We refer to Paris memorandum 675 (their file 225/27) of 29th July, a copy of which has been sent to you.

2. The Department is keen to obtain information on China from French sources and also to maintain good relations with the French Foreign Ministry. Consequently, we can see merit in Paris's suggestion of using appropriate Australian material on Japan as a means towards this end.

3. We would be glad to get your comments on the foregoing. If there are no difficulties in so far as your Embassy is concerned in meeting Paris's request we suggest that you copy to Paris material you consider appropriate.

(H.M. Loveday)
Assistant Secretary

Australian Embassy,
PARIS

482

For your information.

S
(H.M. Loveday)
Assistant Secretary



CONFIDENTIAL

EXTERNAL AFFAIRS

FILE No. 2103/11/62

DATE 11-8-65

SUBJECT

Japan - France

FOR Mr. Hayne

Paris memo 675 raises the possibility of our Embassy discussing Japan with the French.

Mr. J. Dunn says that it would be a good idea if we could do anything along these lines.

Perhaps perhaps the best way of doing this is to get Tokyo to copy appropriate memoranda to Paris and to get Paris to draw on this material when talking to the French.

Will I draft a memo to Tokyo along these lines

gjl

Mr. McHugh

I think we have to be careful about this - & perhaps before doing anything we should seek Tokyo's views. 1078.
Phdraft memo.

5. A copy of this memorandum has been sent to Tokyo.

G. C. Lewis
(G. C. Lewis)
First Secretary

CONFIDENTIAL

CONFIDENTIAL



AUSTRALIAN EMBASSY
PARIS



Memo No. 675
File No. 225/27

The Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

Japan

We refer to our telegram No. 1910 of 27th July which reported M. Delahaye's comments on the recent Franco-Japanese discussions.

2. M. Delahaye went on to comment on the internal situation in Japan. The Tokyo election had shown a marked swing against the Liberal Democrats and a dual threat from the Sokagakkai on the right and, more seriously, the Communists and Socialists on the left. M. Delahaye tended to discount the influence of recent scandals on this result. He thought it due in part to current Japanese economic difficulties and their serious effects on the medium and small scale industries, but also to widespread popular protest at the Government's Vietnam policy.

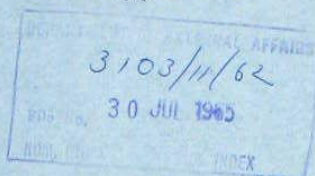
3. He went on that the Japanese Government's support of American policy in Vietnam seemed to be dictated solely by economic considerations; by the need to secure markets and sources of raw material in South-East Asia. He thought, however, that the Government could not long maintain this policy and that Sato would soon quit as Prime Minister, with Takeo Miki the most likely successor.

4. At the close of the conversation M. Delahaye said he greatly welcomed the opportunity to hear opposing views; the German was the only other Embassy regularly to seek discussions with him (this would seem to overlook his discussions with at least the American and New Zealand First Secretaries). We shall be grateful, however, if you could keep in mind the usefulness to us of material on Japan. M. Delahaye's own information on Japan would seem limited, but at the same time he has information on China which could be useful to us.

5. A copy of this memorandum has been sent to Tokyo.

G. C. Lewis
(G. C. Lewis)
First Secretary

CONFIDENTIAL



AUSTRALIAN EMBASSY,
TOKYO

227/13/2

In reply quote No. 130/13/2

Memorandum No. 796

28th July, 1965.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

FRANCO-JAPANESE TALKS IN PARIS

The Japanese press has given a broad coverage to reports of Foreign Minister Shiina's talks with President de Gaulle and French Government leaders in Paris on 20th and 21st July. The talks constituted the third annual Franco-Japanese ministerial meeting. (The first meeting was held in Paris in 1963 and the second when M. Pompidou and M. Couve de Murville visited Tokyo in April, 1964).

2. Topics of this year's meeting given particular attention by the press were:

- (a) An agreement made between Mr. Shiina and M. Couve de Murville that France and Japan coordinate their research in peaceful uses of atomic energy. In this connection, it was decided at a meeting of vice-ministers in the Diet on 22nd July to seek Cabinet approval for Japanese documents drafted to formalize the agreement. If approved, the documents will be sent to Paris and exchanged for their French counterparts by the Japanese Ambassador Toru Hagiwara.
- (b) Mr. Shiina's address to the Development Assistance Committee of O.E.C.D. on 22nd July, in which he appealed to European countries to contribute funds to the proposed Asian Development Bank. Mr. Shiina outlined Japanese plans to give \$200 million towards the Bank's initial capital of \$1,000 million.
- (c) The need to expand Franco-Japanese trade as emphasized in the joint communique following Mr. Shiina's visit.
- (d) Mr. Shiina's explanation to the French Foreign Minister of Japan's official attitude to the war in Vietnam and the possibility of Japanese plans for a settlement.

3. There has been little editorial comment in the Japanese press following the talks. The Mainichi published a commentary from its Paris correspondent, who maintained that the communique camouflaged the failure of recent trade negotiations in Paris between a Ministry of International Trade and Industry delegation and French trade officials. The correspondent said that before Mr. Shiina's trip M.I.T.I. had rejected a revised French proposal for Japan and France to cooperate in the manufacture of atomic power, aircraft, electronics, automobiles and petroleum, on the grounds that France would receive better treatment from Japan than she could give in return. Since France had insisted on acceptance of the proposal before constructive trade negotiations could start, the communique ignored what amounted to a deadlock.

2/...

172

4. The Japan Times commented that no definite settlement of any problems of mutual interest to France and Japan were made at the talks. The paper mildly criticised Mr. Shiina's explanation of the Japanese position on Vietnam which it said offered no opinion of what could be done or when Japan could act to restore peace. (Mr. Shiina had reportedly spoken of the need for a "fundamental" solution, and of Japan "feeling close to Vietnamese problems because of the country's proximity to Japan"). In another comment on 26th July, the Japan Times said that if Mr. Shiina was to give a policy speech to the current Diet session, the Foreign Ministry would want him to express more specifically Japan's views of steps for a more effective settlement than he had in Paris.

5. Mr. Shiina held a press conference on his return to Japan on 26th July. He said that in his discussions with French officials on the Vietnam conflict, Communist China and the Common Market, he had been impressed with France's obviously greater external pre-occupation with Africa than with Asia. He said that the differences of opinion France held with Japan on several problems he had discussed "were unavoidable in view of the different situations now facing each country". Mr. Shiina declined to elaborate, when pressed, on the proposal which International Trade and Industry Minister Miki advanced following his visit to Europe earlier this month, to the effect that Japan should put forward concrete plans for an early settlement of the Vietnam conflict.

6. It is expected, however, that Prime Minister Sato, in his policy speech to the current 49th Diet session, will take into account the views and recommendations of Mr. Shiina and Mr. Miki following their visits to Europe. Mr. Sato is expected to make his speech either on 30th July or 2nd August.

R.P. Broinowski
(R.P. Broinowski)
Third Secretary.



171
AUSTRALIAN EMBASSY,
TOKYO

227/13/2
In reply quote No. 130/13/2

Memorandum No. 796

28th July, 1965.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

FRANCO-JAPANESE TALKS IN PARIS

The Japanese press has given a broad coverage to reports of Foreign Minister Shiina's talks with President de Gaulle and French Government leaders in Paris on 20th and 21st July. The talks constituted the third annual Franco-Japanese ministerial meeting. (The first meeting was held in Paris in 1963 and the second when M. Pompidou and M. Couve de Murville visited Tokyo in April, 1964).

2. Topics of this year's meeting given particular attention by the press were:

- (a) An agreement made between Mr. Shiina and M. Couve de Murville that France and Japan coordinate their research in peaceful uses of atomic energy. In this connection, it was decided at a meeting of vice-ministers in the Diet on 22nd July to seek Cabinet approval for Japanese documents drafted to formalize the agreement. If approved, the documents will be sent to Paris and exchanged for their French counterparts by the Japanese Ambassador Toru Hagiwara.
- (b) Mr. Shiina's address to the Development Assistance Committee of O.E.C.D. on 22nd July, in which he appealed to European countries to contribute funds to the proposed Asian Development Bank. Mr. Shiina outlined Japanese plans to give \$200 million towards the Bank's initial capital of \$1,000 million.
- (c) The need to expand Franco-Japanese trade as emphasized in the joint communique following Mr. Shiina's visit.
- (d) Mr. Shiina's explanation to the French Foreign Minister of Japan's official attitude to the war in Vietnam and the possibility of Japanese plans for a settlement.

3. There has been little editorial comment in the Japanese press following the talks. The Mainichi published a commentary from its Paris correspondent, who maintained that the communique camouflaged the failure of recent trade negotiations in Paris between a Ministry of International Trade and Industry delegation and French trade officials. The correspondent said that before Mr. Shiina's trip M.I.T.I. had rejected a revised French proposal for Japan and France to cooperate in the manufacture of atomic power, aircraft, electronics, automobiles and petroleum, on the grounds that France would receive better treatment from Japan than she could give in return. Since France had insisted on acceptance of the proposal before constructive trade negotiations could start, the communique ignored what amounted to a deadlock.

2/...

170.

4. The Japan Times commented that no definite settlement of any problems of mutual interest to France and Japan were made at the talks. The paper mildly criticised Mr. Shiina's explanation of the Japanese position on Vietnam which it said offered no opinion of what could be done or when Japan could act to restore peace. (Mr. Shiina had reportedly spoken of the need for a "fundamental" solution, and of Japan "feeling close to Vietnamese problems because of the country's proximity to Japan"). In another comment on 26th July, the Japan Times said that if Mr. Shiina was to give a policy speech to the current Diet session, the Foreign Ministry would want him to express more specifically Japan's views of steps for a more effective settlement than he had in Paris.

5. Mr. Shiina held a press conference on his return to Japan on 26th July. He said that in his discussions with French officials on the Vietnam conflict, Communist China and the Common Market, he had been impressed with France's obviously greater external pre-occupation with Africa than with Asia. He said that the differences of opinion France held with Japan on several problems he had discussed "were unavoidable in view of the different situations now facing each country". Mr. Shiina declined to elaborate, when pressed, on the proposal which International Trade and Industry Minister Miki advanced following his visit to Europe earlier this month, to the effect that Japan should put forward concrete plans for an early settlement of the Vietnam conflict.

6. It is expected, however, that Prime Minister Sato, in his policy speech to the current 49th Diet session, will take into account the views and recommendations of Mr. Shiina and Mr. Miki following their visits to Europe. Mr. Sato is expected to make his speech either on 30th July or 2nd August.

R.P. Broinowski
(R.P. Broinowski)
Third Secretary.

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

EOB.

I.33205

FROM:

DATED: 27TH JULY, 1965.
1710

AUSTRALIAN EMBASSY,
PARIS.

REC'D: 28TH JULY, 1965.
0255

1910 CONFIDENTIAL.

REPEATED TOKYO (CANBERRA PLEASE PASS)
MISC 17 LONDON 306 WASHINGTON 114

FRANCO-JAPANESE TALKS.

DELAHAYE (FAR EASTERN AFFAIRS) SAID TODAY THAT THE RECENT
FRANCO-JAPANESE DISCUSSIONS HAD GONE ONLY REASONABLY WELL.

ON THE POLITICAL SIDE THE FRENCH HAD BEEN SURPRISED AT THE
FIRMNESS OF JAPANESE SUPPORT FOR AMERICAN POLICY IN VIETNAM.
"THE DISCUSSION HAD GOT NOWHERE."

2. ON THE ECONOMIC SIDE THE JAPANESE HAD PRESSED FOR THE
REDUCTION IN NUMBER OF THE 38 ITEMS ON WHICH RESTRICTIONS ARE
MAINTAINED AGAINST JAPAN (THE FRENCH HAD COUNTERED WITH OFFERS OF
COOPERATIVE VENTURES, WHICH THE JAPANESE HAD NOT TAKEN UP.

THE FRENCH HAD ALSO TRIED, UNSUCCESSFULLY, FOR EASING OF
JAPANESE RESTRICTIONS ON FOREIGN INVESTMENT.

3. DELAHAYE SAID BILATERAL ECONOMIC TALKS WOULD CONTINUE IN
TOKYO, PROBABLY IN SEPTEMBER.

4. THE ONE OUTCOME OF THE TALKS WAS AN AGREEMENT FOR THE EXCHANGE
OF INFORMATION AND TRAINING FACILITIES IN NUCLEAR ENERGY.
THIS WAS NOT, HOWEVER, TO BE ON ANY GREAT SCALE.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
MIN. & DEPT T.&I.(C)
TREASURER & TREASURY
MIN. I/C A.A.E.C.
A.A.E.C.
RT. HON H.E. HOLT
P.M.'S DEPT
P.M.'S

(E.A. PLEASE ADVISE COMMUNICATIONS DUTY
OFFICER WHETHER TELEGRAPHIC RETRANS-
MISSION TO TOKYO IS DESIRED.)

28TH JULY, 1965.

SEC DS FAS(1,2,3,4) SAS(MS) AS(JIC) SAMT S&SEA M DL INT UN
PACAM AMSP EA@ EAMEC E@ ICR PIO PPO ER@
BANGKOK LONDON MOSCOW NEW YORK(UN) OTTAWA PARIS PHNOM PENH SAIGON
SINGAPORE TOKYO VIENTIANE WASHINGTON NEW DELHI

3103/11/62

T.

CONFIDENTIAL

CONFIDENTIAL

UPI-122

1ST LEAD FRANCO-JAPANESE (UPI-83)
PARIS, JULY 21 (UPI)—FRANCE AND JAPAN ANNOUNCED TODAY THEY WILL SIGN A FRANCO-JAPANESE AGREEMENT ON THE INDUSTRIAL APPLICATION OF ATOMIC ENERGY HERE ON FRIDAY.

THE ANNOUNCEMENT CAME AS JAPANESE FOREIGN MINISTER TETSUSABURO SHIINA AND OTHER JAPANESE OFFICIALS AND EXPERTS WOUND UP TWO DAYS OF TALKS HERE WITH PRESIDENT CHARLES DE GAULLE, PREMIER GEORGES POMPIDOU, FOREIGN MINISTER MAURICE COUVE DE MURVILLE AND FRENCH EXPERTS ON POLITICAL, ECONOMICAL, INDUSTRIAL AND CULTURAL AFFAIRS.

OFFICIALS OF THE TWO COUNTRIES HOLD SUCH TALKS PERIODICALLY. SHIINA TOLD A PRESS CONFERENCE THAT FRIDAY'S AGREEMENT WILL COVER THE PEACEFUL USE OF ATOMIC ENERGY AND ITS APPLICATIONS IN THE INDUSTRIAL FIELD.

(MORE)

DU6:434

UPI-123

ADD 1ST LEAD FRANCO-JAPANESE, PARIS X X X FIELD.
SHIINA ALSO SAID HE HAD RENEWED AN EARLIER JAPANESE INVITATION TO DE GAULLE TO VISIT TOKYO.

+THIS INVITATION WAS CONVEYED TO PRESIDENT DE GAULLE SOME TIME AGO AND IT WAS THEREFORE NOT NECESSARY FOR ME TO RAISE THE MATTER AGAIN,+ HE SAID. +BUT I DID RENEW THE INVITATION IN THE COURSE OF MY CONVERSATION WITH HIM YESTERDAY.+

ANSWERING QUESTIONS ON THE VIET NAM WAR, SHIINA INDICATED THAT, IN DUE TIME, JAPAN WILL BE EAGER TO HELP BRING PEACE TO VIET NAM.

+AS AN EAST-ASIAN COUNTRY, JAPAN FEELS VERY MUCH CONCERNED AND VERY CLOSE TO THE PRESENT SITUATION IN VIET NAM. HE SAID.

+WE HAVE VERY CLOSE RELATIONSHIPS WITH VIET NAM AS WELL AS ALL THE OTHER COUNTRIES IN AREA.+

+THEREFORE WE HOPE THAT PEACE CAN BE RESTORED THERE AS SOON AS POSSIBLE. WHEN I TALK OF PEACE I MEAN A REAL AND FINAL SETTLEMENT AND NOT JUST A CEASE-FIRE+ HE SAID.

MORE

DU6:474

UPI-125

THIRD 1ST LEAD FRANCO-JAPANESE, PARIS UPI-123 X X X SAID.
FRANCE AND JAPAN WERE HOLDING THEIR THIRD ANNUAL TALKS AT FOREIGN MINISTERS' LEVEL. THE TALKS WERE PREPARED BY MEETINGS OF EXPERTS FROM THE TWO COUNTRIES.

AN OFFICIAL COMMUNIQUE WAS ISSUED AT THE END OF THE TWO-DAYS MEETING.

+AN EXCHANGE OF LETTERS BETWEEN FRANCE AND JAPAN WILL TAKE PLACE NEXT FRIDAY IN PARIS AND WILL CONSTITUTE THE NUCLEAR AGREEMENT+ SHIINA TOLD THE PRESS CONFERENCE.

THE TWO COUNTRIES ALSO DECIDED TO INCREASE THEIR INDUSTRIAL AND TECHNICAL COOPERATION AS WELL AS TO DEVELOP TRADE BETWEEN THE TWO COUNTRIES.

SHIINA REFUSED TO ELABORATE ON THE VARIOUS FIELDS OF ATOMIC APPLICATIONS BUT SAID: +IT WILL CONSIST OF A DECISION BY FRANCE AND JAPAN TO EXCHANGE INFORMATION AND TO COOPERATE IN NUCLEAR RESEARCH AND ITS UTILIZATION FOR PEACEFUL PURPOSES.+

ASKED ABOUT JAPAN'S RELATIONS WITH RED CHINA, SHIINA SAID ONLY +WE HAVE PRESENTED OUR VIEWPOINT ON CHINA, WHICH REMAINS UNCHANGED.

DU6:564

① 3103/11/62

162

(F) 3103/11/62

167

Vietnam

May 31, 1965

Japanese PM Sato said Japan has been discussing a peaceful settlement of the Vietnamese war with the Soviet Union & France.

In response to a Socialist query in the House he said "The Government has already begun discussions with France & Soviet Union on the question of how to attain North Vietnam's agreement to attend talks (on a peaceful settlement of the Vietnamese conflict)".

Sato did not say how the discussions were being conducted nor whether his Government would take an active part in resolving the war in Vietnam.

U.P.I. report.

JF



DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper *TIMES.*

File No. *3103/11/62 166*

Published at LONDON.

Date *19-4-65*

**FRENCH GESTURE
JAPANESE GOODS**

FROM OUR OWN CORRESPONDENT

TOKYO, APRIL 18

A French proposal to reduce by half its long list of restrictions on Japanese imports in exchange for the conclusion of a "remarkable" industrial and technological agreement is reported by the *Japan Times* in its Monday edition to have caused a stir among Japanese officials.

The agreement, which was apparently proposed earlier this month in Paris during bilateral trade talks, was reported to concern atomic energy equipment, aircraft, and electronic computers. The newspaper quotes sources close to the Government, speculating that the agreement was prompted more by political than economic motives. In their view General de Gaulle is seen as much dissatisfied with American and British "dominance" in cooperating with Japan in these advanced technological fields.

SELLING PRESTIGE

They go yet further to comment that as the proposal originated from an economic committee of the French Council of Ministers it must reflect the President's preoccupation with "selling French national prestige", and as such is presumably a move to try to bring Japan into line with French policy in the Far East. In the absence of immediate confirmation one can only note that Japanese reaction of this kind is not habitual.

Whatever may be the motives, there is no doubt that there is much room for expansion in Franco-Japanese trade. The bait of a drastic reduction in import restrictions—themselves much resented here—would be tempting for Japan when the overall annual trade figure is little more than \$110m. (about £39m.) compared with that with Britain of more than \$400m. In return, Japan—which has bought no Caravelles and is experimenting with much American and some British atomic equipment—would only have to tell France to take its chance in fields where Japanese firms will not be long in providing some stiff competition.



CONFIDENTIAL

165

File No. 30 APR 1965
 3103/11/62
 NOM. INDEX SUB. INDEX

AUSTRALIAN EMBASSY,
TOKYO

In reply quote No. 227/13/2

Memorandum No. 486

28th April, 1965.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

VISIT OF EDGAR FAURE TO JAPAN

Former French Prime Minister Edgar Faure visited Japan from 12th to 24th April at the invitation of the Asian Affairs Research Council, a private body sponsored by the Mainichi Newspaper group but comprising a number of distinguished and well-known Japanese. Its chairman is former Prime Minister Yoshida. M. Faure paid a courtesy call on Prime Minister Sato but made it clear that he had no status as an official envoy and that he had not come to conduct discussions with the Japanese Government on any specific matters.

2. In his public statements Faure devoted most of his time to the Vietnam situation and his views tended to conform with official French policies. We urged an immediate settlement by negotiation for which he said cessation of United States air attacks was a prerequisite. He argued that the Vietcong were primarily nationalists, that they should be given recognition and that formal negotiations should be conducted with them. He supported President Johnson's call for a settlement without pre-conditions but questioned American sincerity. He wondered, for example, whether the United States would be prepared to accept a communist government in South Vietnam if this followed from a negotiated settlement and resultant United States disengagement.

3. Faure also expressed the view that mainland China should be recognised but was non-committal when pressed to say what France had gained from recognition. He could not see any reason for hostility towards communism, which he said was primarily an economic concept.

4. Although it is always difficult to evaluate the impact on Japanese public and official opinion of a visit such as that of Faure, views which we have canvassed suggest that the Japanese were not particularly impressed by what he had to say. Whilst there is a considerable body of opinion in Japan which would tend to support his argument that bombings in Vietnam should cease as a preliminary towards a negotiated settlement, the Japanese are generally reluctant to go along with his other contention that American troops should be withdrawn from Vietnam and the West should be reconciled with the probability of a Communist take-over in the South. Most Japanese fear escalation of the Vietnam conflict and do not want Japan at all involved militarily, but outside left-wing circles there is no desire for any steps to be taken which would weaken the Western position there.

CHECKED
 sent to
 Mr. Luntz
 in Monday
 - C
 2/5/65
 [Signature]

CONFIDENTIAL

2/...

- 2 -

CONFIDENTIAL

5. A copy of this memorandum has been sent to the Australian Embassy in Saigon and Paris.

P. F. Peters
(P.F. Peters)
First Secretary.

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper TIMES.

File No. 3103/11/62

Published at LONDON.

Date 19 January 1965

JAPAN INVITATION TO
GEN. DE GAULLE

PARIS, Jan. 18.—The Emperor Hirohito has invited President de Gaulle to visit Japan this year, an official at the Elysée Palace said today. He said the President welcomed the invitation, but no date had yet been fixed.—
Reuter.

DEPARTMENT OF EXTERNAL AFFAIRS

303/11/62 CB

EGS

INWARD CABLEGRAM I.21179

FROM:

DATED: 24TH JUNE, 1964.
1720

AUSTRALIAN EMBASSY,
PARIS.

REC'D: 25TH JUNE, 1964.
0546

1462.

CONFIDENTIAL.

REPEATED LONDON 281 WASHINGTON 136 TOKYO 2 (CBA PSE PSS TO WASHINGTON TOKYO).

FROM WALKER.

MALAYSIA.

MANAC'H TOLD ME IN CONFIDENCE THAT REPORTS FROM TOKYO (WITHIN THE FRAMEWORK OF THE FRANCO- JAPANESE ARRANGEMENT FOR EXCHANGE OF POLITICAL INFORMATION) INDICATED THAT THE JAPANESE HAD PLACED CONSIDERABLE HOPES IN THE SUMMIT AND ATTACHED SIGNIFICANCE TO INCREASED PHILIPPINE DETACHMENT FROM THE INDONESIANS.

THE JAPANESE NOW ATTRIBUTED FAILURE OF THE SUMMIT LARGELY TO INADEQUATE PREPARATIONS BY THE PARTIES CONCERNED.

THEY CONSIDERED, HOWEVER, THAT SOMETHING POSITIVE MIGHT COME OUT OF THE QUADRIPARTITE COMMISSION TO BE ESTABLISHED, AND WERE HOPING THAT JAPAN WOULD BE INVITED TO BE THE FOURTH MEMBER, AND SO HAVE AN OPPORTUNITY TO PLAY A CONCILIATORY ROLE.

MANAC'H REMARKED THAT THE JAPANESE WERE ANXIOUS TO KEEP ON GOOD TERMS WITH INDONESIA FOR ECONOMIC REASONS.

2. FROM KUALA-LUMPUR THE FRENCH EMBASSY REPORTED THAT THE MALAYANS WERE NOT SURPRISED BY THE BREAKDOWN OF THE SUMMIT AND INDEED THAT THERE WERE REPORTS THAT THE 30 ODD INDONESIANS WHO PASSED THROUGH THE CHECKPOINT HAD BEEN INFILTRATED BUT A SHORT TIME BEFORE FOR THAT SPECIFIC PURPOSE.

3. THE FRENCH, SAID MANAC'H "WHILE ONLY OBSERVERS OF THE SITUATION" BELIEVED THE SOVIET AND CHINA WOULD BOTH CONTINUE TO ENCOURAGE SOEKARNO IN HIS PRESENT POLICY AS A FACTOR DISTURBING THE GENERAL SITUATION IN SOUTH EAST ASIA, AND WERE INTRIGUED BY MIKOYAN'S PRESENT VISIT TO DJAKARTA.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE.
P.M.'S

25TH JUNE, 1964.

307/40/106

307/40/106
W.
CHECKED
307/40/106

SEC FAS(1,2,4) AS(3) AS(JIC) S&SEA M&I M DL INT UN PACAM
AMSP EA E*MEC E INF PIO MT
BANGKOK DJAKARTA KUALA LUMPUR NEW DELHI SINGAPORE TOKYO

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM

162
3103/11/62

MB.

I.13166.

FROM:

DATED: 22ND APRIL, 1964.
1705.

AUSTRALIAN EMBASSY,
TOKYO.

REC'D: 22ND APRIL, 1964.
1830.

306.

CONFIDENTIAL.

VISIT OF FRENCH MINISTERS.

MY SAVINGRAM 32 AND YOUR MEMORANDUM 208.

I HAVE SINCE SPOKEN AGAIN TO ODA AND HOGEN SEPARATELY ABOUT POMPIDOU'S AND COUVE'S EXPLANATION OF DE GAULLE'S ADVOCACY OF NEUTRALISM FOR VIETNAM, AND HAVE DRAWN ON MINISTER'S PARLIAMENTARY STATEMENT OF 11TH MARCH. I FIND ODA AS WELL AS HOGEN SCEPTICAL OF FRENCH REASONING AND BOTH DECLARED THEMSELVES IN AGREEMENT WITH MINISTER'S ARGUMENTS AGAINST GIVING ANY ENCOURAGEMENT TO NEUTRALISATION. ODA INSISTS THAT JAPANESE MINISTERS WERE NOT IMPRESSED WITH SUBSTANCE OF THE FRENCH CASE, EVEN THOUGH THEY DID NOT ACTUALLY ARGUE AGAINST IT.

MCINTYRE.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
P.M.'s

22ND APRIL, 1964.

SEC FAS(1, 2, 4) AS(3) AS(JIC) S&SEA M&I M@ DL INT
UN PACAM AMSP EA EAMEC E INF PIO MT
BANGKOK LONDON MOSCOW NEW DELHI NEW YORK(UN) OTTAWA PARIS
PHNOM PENH SAIGON VIENTIANE WASHINGTON

CONFIDENTIAL

CONFIDENTIAL

3103/11/62

161

INWARD SAVINGRAM

LJH.

I. 12619.

DATED: 16TH APRIL, 1964.

FROM:

REC'D: 17TH APRIL, 1964.

AUSTRALIAN EMBASSY,
WASHINGTON.SAV. 437. CONFIDENTIAL.

COPIES TO LONDON, PARIS, TOKYO.

JAPAN / FRANCE.

AINSWORTH (JAPAN) THOUGHT 16TH APRIL THAT THE TALKS BY POMPIDOU AND COUVE WITH IKEDA AND OHIRA 7TH - 8TH APRIL HAD BEEN ENLIGHTENING TO BOTH SIDES.

2. THE JAPANESE HAD BEEN CURIOUS TO HEAR THE FRENCH RATIONALE FOR RECOGNISING MAINLAND CHINA AND NEUTRALISING INDO-CHINA.

POMPIDOU AND COUVE SEEMED TO HAVE BEEN IMPRESSED BY THE FIRMNESS AND COGENCY OF THE EXPLANATIONS GIVEN ON JAPAN'S POLICIES.

BOTH SIDES HAD TAKEN PAINS NOT TO INTENSIFY MAJOR FREE-WORLD DIFFERENCES AND, WHERE POSSIBLE, HAD TRIED TO EXPLAIN DIFFERING POLICIES ON THE GROUNDS OF SPECIAL CIRCUMSTANCES APPLYING TO EACH COUNTRY.

SOME OF THE FRENCH STATEMENTS ON MAINLAND CHINA SEEMED TO BE SLIGHTLY DEFENSIVE.

3. THE FOLLOWING WERE SOME OF THE POINTS MADE IN COUVE AND OHIRA'S TALKS WHICH WERE MORE DETAILED THAN THOSE BETWEEN POMPIDOU AND IKEDA.

4. COUVE, AFTER EXPLAINING FRENCH RECOGNITION OF MAINLAND CHINA IN FAMILIAR TERMS, SAID FRANCE FAVOURED FULL U.N. MEMBERSHIP, INCLUDING THE SECURITY COUNCIL, FOR PEKING, BUT WOULD NOT TAKE ANY INITIATIVE ON THIS, EITHER IN THE U.N. OR WITH FORMER FRENCH TERRITORIES.

FRENCH RECOGNITION CONSTITUTED NO COMMITMENTS TO MAINLAND CHINA OVER TAIWAN.

5. OHIRA SAID THAT JAPAN HAD NO INTENTION OF CHANGING HER POSITION ON THE U.N. IMPORTANT QUESTION RESOLUTION.

JAPAN WOULD NOT DO ANYTHING TO HARM THE INTERESTS OF TAIWAN., TAIWAN DID NOT WANT TO COME UNDER COMMUNIST CHINA CONTROL AND SELF DETERMINATION SHOULD BE THE BASIS FOR SOLVING THE TAIWAN PROBLEM.

6. COUVE SAID THAT FRANCE WOULD NOT OPPOSE AN INDEPENDENT TAIWAN AND AN INDEPENDENT CHINA SOLUTION, PROVIDED IT WAS FEASIBLE. (THE JAPANESE FELT THAT THE FRENCH MINISTERS RECOGNISED JAPAN'S CONCERN ABOUT TAIWAN AND THOUGHT THAT THIS WAS AN ACCOMPLISHMENT).

7. OHIRA ASKED IF FRANCE INTENDED TO HELP PEKING IN THE NUCLEAR FIELD. COUVE SCOFFED AND SAID THAT FRANCH HAD XNO INTENTION OF HELPING ANYBODY ON THIS.

8. COUVE SAID THAT FRANCE APPRECIATED UNITED STATES MOTIVES AND INTENTIONS IN INDO-CHINA, BUT IN VIEW OF PAST EXPERIENCE, FRANCH HAD CONCLUDED THAT IT WAS IMPOSSIBLE TO SETTLE THE PROBLEMS BY FORCE. A POLITICAL SETTLEMENT INVOLVING THE U.S.A. AND MAINLAND CHINA WAS THE ONLY WAY OUT.

→ *high level copies for all appropriate files*

files for 19pp 3103/11/62 3103/11/67 3103/11/68

...2/... This is the case - if Peking says yes - OK, if not, Paris will not support

CONFIDENTIAL

CONFIDENTIAL

INWARD SAVINGRAM

RD

- 2 -

O.12619

(POMPIDOU SAID TO THE PRESS THAT THE FRENCH PROPOSAL FOR NEUTRALISATION ENVISAGED A NEUTRAL NORTH VIET NAM AND A NEUTRAL SOUTH VIET NAM).

9. COUVE SAID THAT THERE HAD BEEN NO NEW DEVELOPMENTS IN FRANCO-SOVIET RELATIONS.

HE EMPHASISED THE NEED TO AVOID ANY ACTION IN THE SINO-SOVIET DISPUTE AIMED AT ASSISTING EITHER SIDE AT THE EXPENSE OF THE OTHER.

COUVE COMMENTED THAT THE RUSSIANS HAD BEEN UNHAPPY AT FRENCH RECOGNITION OF PEKING AND DID NOT WANT MAINLAND CHINA ADMITTED TO THE U.N.

10. OHIRA EXPRESSED SOME CONCERN AT THE POSSIBILITY OF DISCRIMINATION BY THE E.E.C. AGAINST JAPAN.

COUVE NOTED THAT THE BALANCE OF TRADE WAS IN JAPAN'S FAVOUR AND THOUGHT SOME SLIGHT LIBERALISATION BY BOTH SIDES SHOULD BE POSSIBLE.

11. OHIRA SAID THAT THE KENNEDY ROUND SEEMED TO BE PROGRESSING SATISFACTORILY BUT COUVE REPLIED THAT HE HAD A DIFFERENT IMPRESSION, AND FORESAW SERIOUS PROBLEMS.

COUVE WAS NOT OPTIMISTIC ABOUT THE OUTCOME OF THE KENNEDY ROUND.

12. AINSWORTH SAID NOTHING BUT PLEASANTRIES HAD EMERGED DURING YOSHIDA'S VISIT TO THE U.S.A. FOR GENERAL MACARTHUR'S FUNERAL.

13. ON VISITS OF UNITED STATES NUCLEAR SUBMARINES TO JAPAN, THE JAPANESE WERE CURRENTLY CONSIDERING TECHNICAL DATA PROVIDED BY THE U.S.A. ON THE PROBLEMS OF SAFETY.

MIN. & DEPT. E.A.
MIN. & DEPT. DEFENCE

20TH APRIL, 1964.

SEC FAS(1,2,4) AS(JIC) S&SEA M DL INT UN PACAM AMSP
EA EAMEC E PIO INF MT ER PPO
NEW DELHI NEW YORK(UN) HONG KONG TOKYO

CONFIDENTIAL

3103/11/62

DEPARTMENT OF EXTERNAL AFFAIRS

I. 12436

INWARD SAVINGRAM

From: Australian Embassy,
TOKYO

Dated: 14th April, 1964.

Rec'd: 16th April, 1964.

SAVINGRAM No. 32 : CONFIDENTIAL

Repeated to: PARIS
(Canberra please pass)VISIT OF FRENCH MINISTERS

Our telegram 265 and Savingram 31.

Hogen (Director of European, Afro-Middle Eastern and Oceanic Affairs Bureau) yesterday filled me in on the talks which Pompidou and Couve had with Japanese Ministers. He had before him a record of the conversations.

2. On China it would appear that the Japanese made most of the running. Ikeda and Ohira were at pains to emphasize the importance that Japan attaches to the maintenance of a separate identity for Taiwan, under whatever formula. They pointed out that if the French insisted on recognizing the reality of the Communist regime in mainland China they must be consistent and acknowledge the reality of the Taiwan regime as well. Not only was it a fact of life, but it was of the highest importance to Japan's security. It was clear that the people of Taiwan did not want to be taken over by Peking, and this surely fell in line with General de Gaulle's emphasis on the need for self-determination in his reply to Khrushchev's New Year message.

3. The French Ministers claimed to understand the Japanese position fully. They advanced the usual arguments on the logic of recognizing Peking, but acknowledged the importance to Japan of doing nothing to undermine the Nationalists. They affirmed that France would take no initiative in the matter of Communist China's admission to the United Nations. I said I presumed this meant that France would vote in favour of seating Peking, but had the French given any indication of how they would vote if it came to using the "important question" procedure? Hogen said they had not, and his own hunch was that they would not support it.

4. The Japanese had asked Pompidou and Couve whether France was likely to give the Chinese Communists any help in the nuclear development field. (Hogen said that Japan had reliable information that Peking had already asked the French for "heavy water"). The French Ministers had laughed and said that France had no intention whatever of doing so.

CONFIDENTIAL

3107/30/1

3103/11/87

3103/11/88

3107/40/62

519/8

3105/19/3/30

in 6/6/64

C. H. H. H.

3107/10/52

3103/11/62

CONFIDENTIAL

INWARD SAVINGRAM

6. I gathered that the Japanese were quite impressed with the French presentation of their arguments in favour of the realisation of Vietnam. The French claimed to be basing their reasoning on their own "bitter experience" in Indo-China. They recognized that the D.R.V. was a thoroughgoing Communist regime; but having regard to the long history of Chinese domination of Vietnam they did not assume that the D.R.V. would succumb completely to Chinese influence.

7. Pompidou and Couve insisted that France was not aiming to embarrass the United States in its present efforts to hold South Vietnam. But from France's own experience they felt that these efforts as at present directed were bound to fail. They could see more logic in a decision to carry the war into North Vietnam if the risks of war on the Korean pattern or worse were to be accepted. But they did not believe that even this could bring about a genuine settlement, since there was no existing basis for the formation of a National government.

8. According to Hogen the French Ministers were anything but dogmatic or cocksure; they were, in his words, "almost humble" in explaining their thinking. Their attitude was rather that a military solution looked to be increasingly impossible, and that the best hope lay in working for a political solution. This might not be very satisfactory; neither were the situations in Laos and Cambodia, but something on a neutralist pattern must be attempted for want of any practical, realistic alternative. Any lasting settlement in Vietnam must have the acquiescence of Peking.

9. China and Vietnam occupied more than two-thirds of the discussions. In addition there was some discussion of French-Japanese trade, on which Hogen could not add to what had appeared in the communique. On the forthcoming Kennedy Round and UNCTAD the French Ministers did not have much to say beyond hints of scepticism, which they betrayed even more strongly in respect of the current disarmament negotiations in Geneva, which they gave no prospect of success without substantial modification of the United States as well as the Soviet position.

10. The Japanese were anxious to know more about French intentions vis-a-vis the Soviet Union; they pointed for example to recent visits to Moscow by prominent Frenchmen, including Edgar Faure, and asked whether these had any particular significance, bearing in mind Faure's activities in Peking prior to French recognition. The French Ministers sought to dismiss these as having no special importance. They declared that France had no present intention of extending long-term credits to Russia, though they might later find it necessary to do so if the United Kingdom did. On the question of the Russo-Chinese rift the French were apparently fairly guarded; they thought it was full of possibilities and could be helpful to the West, but it was essential that the West should not try to intervene. They were convinced that Russia had been somewhat embarrassed by France's recognition of Peking and believed that Russia did not really want Communist China in the United Nations.

11. I asked Hogen for his impressions of the calibre and performance of the French Ministers — of Pompidou in particular since we knew Couve's capabilities pretty well. Hogen confirmed that Couve had given his usual skilful performance of fitting de Gaulle's ideas into a plausible presentational framework. (Hogen himself takes no wooden nickels, however naive his Ministers may sometimes be).

/3.....

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD SAVINGRAM

I.12436

He had also been quite impressed with Pompidou, who though inclined to defer to Couve on international questions at the beginning had weighed in confidently later on and had shown a firm grasp of domestic problems.

McIntyre.

A/MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
A/MIN. & DEPT T. & I.
TREASURER & TREASURY

16th April, 1964.

SEC FAS(1,2,4) AS(3) AS(JIC) S&SEA M&I M DL INT
UN PACAM AMSP EA EAMEC E PIO INF MT ER PPO
MR MCMILLAN
LONDON NEW DELHI NEW YORK(UN) OTTAWA PARIS SAIGON
WASHINGTON WELLINGTON

INWARD SAVINGRAM

I.:

From: AUSTRALIAN EMBASSY,
TOKYO.

DATED: 10th April, 1964.

Rec'd: 13th April, 1964.
1451.

SAVINGRAM NO.: 31 - UNCLASSIFIED.

Repeated: PARIS (Canberra please pass)

VISIT OF FRENCH PRIME MINISTER TO JAPAN.

Further to our telegram no. 265, on 9th April at the conclusion of the official part of his visit to Tokyo, French Prime Minister Pompidou gave a press conference and spoke to the Foreign Correspondents Club. On both occasions his remarks and subsequent questioning related almost solely to French recognition of Communist China and its consequences, and to French plans for neutralizing Indo-China.

French Recognition of Communist China.

2. In explaining France's change of policy towards China, Pompidou said that Peking's independence from the Soviet Union was the primary consideration. France felt it necessary to understand better Peking's thinking by exchanging ambassadors. France would try her best to induce favourable changes in Peking's attitude. The French Government also thought it wise to recognize the existence of the Communist regime in order to preserve peace in the Indo-Chinese countries. In answer to a question, Pompidou denied that French recognition would disrupt the unity of the free world, adding that she remained in NATO and offered what she could in military assistance and advice in past crises over Berlin and that she fully supported the United States in the latter's confrontation with Cuba. However, it was quite natural for France to pursue an independent foreign policy, especially when some countries of the Communist bloc were adopting independent policies.

Japanese Attitude.

3. The Prime Minister expressed surprise at the reaction in Japan to the French decision, when, he said, over fifty nations, including some of France's major allies had diplomatic relations with Peking. Still, he understood that Japan had to pursue a cautious policy towards Communist China because of factors such as geographical proximity, domestic considerations and so forth. He repeated that France had no intention of "pressing" other Governments to recognize Communist China.

France-Chinese Trade.

4. On the question of Franco-Chinese trade, the Prime Minister said that there had been no marked increase in trade between the two countries but that trade was a matter of second importance for France. France would never sell nuclear weapons to Communist China, either for cash or deferred payment.

Taiwan.

5. When questioned about Taiwan, Pompidou said that France did not break diplomatic ties with Taiwan in order to establish diplomatic relations with Peking. Taiwan solved that problem for

.../2

3103/11/62

INWARD SAVINGRAM

France by withdrawing its Embassy in Paris. "In spite of the recent incidents, the people and government of France pay respect to Generalissimo Chiang Kai-shek. The French Government recognizes that there exists a government on Taiwan but the government of Taiwan is not that of Mainland China."

East Germany.

6. The Prime Minister was asked, if France recognized Communist China because it was a reality, would it also recognize East Germany for the same reason? In reply, he said that France would not recognize East Germany whilst Russian troops were there; when Russian troops left, there would be no East Germany.

French Neutralization Plan.

7. In outlining the French plan for neutralizing the Indo-Chinese countries, Pompidou said that these countries were too weak to stay independent if they belonged either to the Communist or Free World camps. The people of these countries had a genuine desire for peace and independence. However, he knew that the plan could not materialize without agreement by Communist China, the United States and the indigenous countries themselves. This did not lessen French conviction that neutralization was the only answer. France's plan also included North Vietnam. (On the latter point, the Japanese Foreign Ministry revealed to the press that, according to their understanding of the plan, South Vietnam was to be neutralized first and North Vietnam thereafter). When pressed to comment on the hostilities in South Vietnam, the French Prime Minister would not commit himself except to say that even a military victory for the established government would not make for a permanent solution, which must be a political one.

Press Comment.

8. Press comment on the Franco-Japanese talks has been fairly objective. Asahi Shimbun thought that the visit gave Japan a good opportunity to gain first hand impressions of French thinking on the issues mentioned above. Mainichi Shimbun commented that Pompidou's statements reaffirmed France's "realistic diplomacy aimed at making laws conform with realities". Tokyo Shimbun suggested that the polite French acknowledgement of Japanese policies towards China was made out of deference to the United States. The Japan Times, which like the Tokyo Shimbun often reflects official views, thought that the chief value of the talks was the promise of closer cooperation between the two countries, which was important in view of growing French interest in Asian affairs.

P.F.P.

A/MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
TRADE & INDUSTRY

13th April, 1964.

SEC FAS(1,2,4) AS(3) AS(JIC) S&SEA M&I M DL INT UN
PACAM AMSP EA@ C&P EAMEC E AFME PIO INF MT ER CR
PPO MR MCMILLAN
NEW DELHI NEW YORK(UN) OTTAWA PARIS SAIGON HONG KONG
LONDON WASHINGTON WELLINGTON

3103/11/62
m. Kane

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM

MB.

I.11637.

FROM:

DATED: 9TH APRIL, 1964.
1540.

AUSTRALIAN EMBASSY,
TOKYO.

REC'D: 9TH APRIL, 1964.
1810.

265.

UNCLASSIFIED.

REPEATED PARIS.

JOINT COMMUNIQUE ISSUED TODAY FOLLOWING TALKS BETWEEN FRENCH AND JAPANESE PRIME MINISTERS AND FOREIGN MINISTERS STRESSED THE PARTICULARLY CORDIAL ATMOSPHERE OF THE TALKS WHICH RANGED OVER CURRENT INTERNATIONAL ISSUES WITH SPECIAL REFERENCE TO CHINA, SOUTH-EAST ASIA, EUROPEAN QUESTIONS, EAST-WEST RELATIONS, UNCTAD AND FORTHCOMING GATT TARIFF NEGOTIATIONS. IT SAID THAT BOTH PRIME MINISTERS EXPRESSED A FIRM WISH TO INCREASE THE NUMBER AND SCOPE OF CONTACTS BETWEEN THE TWO COUNTRIES, TO COOPERATE AT ALL LEVELS IN DEALING WITH ANY PROBLEMS WHICH EXIST AND TO HARMONIZE AS MUCH AS POSSIBLE THEIR ATTITUDE ON GENERAL QUESTIONS OF MUTUAL INTEREST. THEY RECOGNIZED THAT ANY THREAT TO PEACE NO MATTER WHERE IT MIGHT ARISE CANNOT BE A MATTER OF UNCONCERN TO NATIONS IN OTHER PARTS OF THE WORLD.

2. AS REGARDS TRADE, THE TWO PRIME MINISTERS NOTED THAT AN APPRECIABLE INCREASE IN VOLUME HAD TAKEN PLACE SINCE THE SIGNING OF THE FRANCO-JAPANESE AGREEMENT IN MAY 1963. THEY NOTED WITH SATISFACTION THE RECORD ON TRADE LIBERALIZATION CONCLUDED LAST MONTH IN IMPLEMENTATION OF THE AGREEMENT AND HOPED THAT THESE TRENDS WOULD CONTINUE.

3. FULL TEXT OF COMMUNIQUE IS BEING SENT BY BAG.

4. AS FREQUENTLY HAPPENS HERE ON SUCH OCCASIONS THE PRESS WAS GIVEN IN ADDITION A FAIRLY FULL BRIEFING ON THE SUBSTANCE OF THE DISCUSSIONS, AND THEIR REPORTS INDICATE THAT THE CHINA QUESTION WAS THE MAIN TOPIC CONSIDERED AND THAT BOTH SIDES RESTATED THEIR RESPECTIVE POSITIONS. THE JAPANESE SAID THAT THEY WOULD CONTINUE TO SUPPORT NATIONALIST CHINA AND TO HAVE THE PROBLEM OF CHINESE REPRESENTATION AT THE FORTHCOMING UNGA DESIGNATED AN "IMPORTANT" QUESTION AS REGARDS VOTING PROCEDURES. THE FRENCH PRIME MINISTER SAID THAT FRANCE WOULD NOT MAKE ANY CONSCIOUS MOVES THAT WOULD WEAKEN TAIWAN'S POSITION AND WOULD NOT ACTIVELY ENCOURAGE ITS EXPULSION FROM THE UNGA DURING THE COMING SESSION. THE FRENCH FOREIGN MINISTER ACKNOWLEDGED THE FACT THAT THE ISLAND IS NOW UNDER THE CONTROL OF NATIONALIST CHINA AND POINTED OUT THAT THE LEGAL TITLE TO THE ISLAND IS A QUESTION TO BE SETTLED IN THE FUTURE.

AS REGARDS TRADE WITH COMMUNIST CHINA, HOWEVER, BOTH COUNTRIES AGREED ON SUPPORTING TRADE WITHIN THE FRAMEWORK OF THE COCOM EMBARGO LIST AND ON A COMMERCIAL BASIS.

...../2

The Cabinet

Copy for 3107/33/61
519/8

3107/40/62
519/3/30.

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD CABLEGRAM

153

MB.

- 2 -

I.11637

5. THE JAPANESE ARE REPORTED TO HAVE " MAINLY LISTENED" TO THE FRENCH EXPOSITION OF ITS PLAN TO NEUTRALIZE VIETNAM. THE FRENCH ARGUED THAT THE INDO-CHINA PROBLEMS SHOULD BE HANDLED POLITICALLY RATHER THAN MILITARILY, THAT THERE WAS NO OTHER WAY TO PROTECT THE INDEPENDENCE OF THE THREE COUNTRIES IN THAT AREA THAN TO NEUTRALIZE THEM, AND THAT THEIR VIEWS HAD REMAINED UNCHANGED SINCE 1954.

6. THE JAPANESE SOUNDED OUT THE FRENCH ON THE POSSIBILITY OF FLOATING BONDS IN FRANCE. THE FRENCH REPLIED THAT CAPITAL IN FRANCE WAS AT PRESENT NOT SUFFICIENTLY ABUNDANT TO ABSORB FOREIGN BONDS BUT THAT, WHEN IT WAS, JAPAN WOULD BE GIVEN PREFERENTIAL TREATMENT.

7. THE FRENCH DELEGATION WILL SPEND THE NEXT THREE DAYS SIGHTSEEING AND WILL LEAVE JAPAN ON 12TH APRIL. FRENCH REPORTERS COVERING THE VISIT WERE REPORTED HERE TO HAVE COMPLAINED THAT THE JAPANESE WERE IMPOLITE ENOUGH TO HAVE ISSUED THE OFFICIAL ITINERARIES IN ENGLISH AND ALSO TO HAVE ALLEGED THAT GENERAL MACARTHUR'S DEATH WAS FEATURED MORE PROMINENTLY IN THE JAPANESE PRESS THAN WAS M. POMPIDOU'S ARRIVAL. NEITHER CHARGE IS TRUE, ALTHOUGH IT IS A FACT THAT THE CRASH OF A U.S. SECURITY FORCE FIGHTER IN A JAPANESE TOWN TENDED TO OVERSHADOW THE ARRIVAL OF THE FRENCH DELEGATION. ON THE OTHER HAND CLEVER TIMING AND PUBLICITY REGARDING THE DISPLAY HERE OF THE VENUS DE MILO HAS LEFT THE JAPANESE MAN IN THE STREET WITH THE IMPRESSION THAT THE STATUE WAS THE WORK OF A FRENCHMAN.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
A/MIN. & DEPT TRADE & INDUSTRY
TREASURER & TREASURY
P.M.'s

9TH APRIL, 1964.

SEC FAS(1, 2, 4) AS(3) AS(JIC) S&SEA M&I M DL INT
UN PACAM AMSP EA C&P EAMEC E AFME INF MT ER
CR PIO
LONDON NEW DELHI NEW YORK(UN) OTTAWA SAIGON WASHINGTON
WELLINGTON

Arc



152
AUSTRALIAN EMBASSY,
TOKYO

In reply quote No. 227/13/2

Memorandum No. 272

10th April, 1964.

The Secretary,
Department of External Affairs,
CANBERRA ... A.C.T.

FRANCO-JAPANESE TALKS.

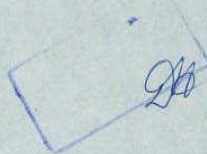
.....
✓ I attach copies of the Japanese and French language versions of the communique issued following talks between the French and Japanese Prime Ministers and Foreign Ministers. The talks took place in Tokyo from 6th to 9th April.

.....
2. A rough English translation of the communique, which has been prepared by the Japan Times, is also attached.

P. F. Peters
(P. F. Peters)
First Secretary.

*The Japanese
Choose your language!
on
16.4*

*Copy + 2/3 encls to Europ.
on
16.4*



COMMUNIQUE

M. POMPIDOU, Premier Ministre de la République Française, a séjourné à Tokyo du 6 au 9 avril 1964, comme hôte du Japon. Il était accompagné de Mme POMPIDOU, M. COUVE de MURVILLE, Ministre des Affaires Etrangères et plusieurs personnalités ont participé au voyage.

Au cours de leur séjour M. et Mme POMPIDOU ont été reçus en audience par Leurs Majestés l'Empereur et l'Impératrice. Le Premier Ministre et le Ministre des Affaires Etrangères français ont eu, d'autre part, des entretiens avec M. IKEDA, Premier Ministre du gouvernement japonais et M. OHIRA, Ministre des Affaires Etrangères.

Ces entretiens ont permis la poursuite des consultations régulières, qu'il a été convenu de tenir entre les deux gouvernements. Ils font suite à ceux auxquels a donné lieu, en septembre dernier, la visite en France de M. OHIRA.

Les conversations se sont déroulées dans une atmosphère particulièrement amicale, et ont conduit à faire le point de la situation dans le monde, en Europe, aussi bien qu'en Asie, à passer en revue les divers aspects de la conjoncture internationale, à discuter notamment de la politique à l'égard de la Chine, de la situation de l'Asie du Sud-Est, des questions européennes, des relations est-ouest. Les positions sur les grands problèmes de l'économie internationale ont été confrontées, notamment en ce qui concerne la Conférence des Nations-Unies sur le commerce internationale qui vient de s'ouvrir à Genève et les prochaines négociations tarifaires dans le cadre du GATT.

Ces consultations ont permis aux deux parties de bien comprendre les positions respectives, dans la perspective des principes de paix, de justice et de liberté qui sont ceux du monde libre.

Les Premiers Ministres ont estimé que cette rencontre avait été particulièrement utile. Ils ont exprimé la ferme volonté des deux gouvernements de multiplier et de diversifier leurs contacts et de coopérer à tous les échelons pour régler les problèmes qui peuvent exister entre les deux pays et pour harmoniser autant que possible leur attitude sur les questions générales qui intéressent la France et le Japon.

151

Ils ont reconnu que toute menace contre la paix, dans une quelconque région du monde, ne saurait laisser indifférentes les nations des autres régions.

Sur le plan commercial, il a été constaté que le volume du commerce s'est sensiblement accru depuis la signature de l'accord du 14 mai 1963. Les Premiers Ministres ont noté avec satisfaction qu'en application de cet accord un arrangement a été conclu le mois dernier, qui prévoit une libération nouvelle des échanges. Ils espèrent que cette évolution se poursuivra dans l'avenir.

Ils ont exprimé également le souhait que, dans les domaines culturel, scientifique et technique, les échanges continuent à se développer rapidement dans l'avenir.

La visite au Japon de M. POMPIDOU, fixée de longue date, s'est produite à un moment spécialement opportun. Les deux parties ont pu se rendre compte qu'elle a grandement contribué au resserrement des liens d'amitié qui unissent la France et le Japon.

注意 9日 8時 30分まで 公表禁止

日仏共同コミュニケ

昭和三十九年四月九日

ボンビド、フランス共和国首相は、一九六四年四月六日から九日まで日本の賓客として東京に滞在した。ボンビド、首相にはボンビド、夫人およびクローヴ・ド・ミュルヴィル外相が同行し、数名の仏側随員がこの訪問に参加した。

滞在中、ボンビド、首相夫妻は、天皇、皇后両陛下から謁見を賜わった。また、両首はお互にクローヴ・ド・ミュルヴィル外相は池田総理および大平外相と会談した。

この会談は両国政府の間で合意された定期協議として行なわれ、昨年九月大平外相訪仏のさいに行なわれた会談に続くものである。

この会談はきわめて友好的な雰囲気で行なわれ、世界、欧州ならびにアジアにおける情勢について検討し、また国際情勢の種々

709
の局面、特に、対中国政策、東南アジア情勢、欧州に関する諸問題、東西關係について討議した。國際經濟上の重要問題、特に、ジュネーヴで開催中の國連貿易開發會議および近く行なわれるカト税交渉について双方の立場を検討した。

この討議の結果、双方は、自由世界の基本原則である平和、正義、自由の達成を目標とする相互の立場を十分に理解した。

兩國首相は、この会合がきわめて有益であつたことを認めた。さらに兩國首相は、兩國間に存在すべき種々の問題の解決のため、また日本とフランスに關係のある一般的問題についての兩國の態度を可能な限度において調和させるため、兩國政府間の接觸を拡大強化し、かつ、あらゆるレベルでの協力を実現する固い決意を表明した。

Text of Communique

Premier Georges Pompidou of the Republic of France stayed in Tokyo as a guest of Japan from April 6 to 8, 1964. He was accompanied by his wife, French Foreign Minister Maurice Couve de Murville, and several officials.

During their stay in Tokyo, Premier Pompidou and his wife were received in audience by the Emperor and Empress.

The Premier and Foreign Minister also met with Prime Minister Hayato Ikeda and Foreign Minister Masuyoshi Ohira.

The meetings were held as regular consultations agreed on by the two governments and were a sequel to the meetings held when Ohira visited France in September 1963.

The meetings were held in an extremely amicable atmosphere.

The participants reviewed the situation in the world, Europe and Asia and discussed

the diverse aspects of the international situation with special emphasis on policies toward China, the situation in Southeast Asia, the problems concerning Europe and East-West relations.

They also studied each other's positions in regard to important problems of international economy, particularly the United Nations trade and development conference now being held in Geneva and the tariff negotiations of the General Agreement on Tariffs and Trade to be held in the near future.

As a result of the consultations, the two parties reached full understanding on their respective positions which are dedicated to the attainment of the basic principles of the Free World—peace, justice and freedom.

The Premier of France and Prime Minister of Japan recognized that the meetings had been particularly beneficial.

They also expressed firm determination to expand and strengthen the contacts of the two governments and cooperate on all levels in order to solve the diverse problems that might crop up between the two nations and adjust the stands of the two nations to the maximum extent possible on general issues concerning Japan and France.

The Prime Minister and Premier recognized that all threats to peace, wherever they may exist in the world, cannot be passed off with indifference by the nations in other regions.

In regard to trade, the Prime Minister and Premier affirmed that the volume of trade expanded by a wide margin since the signing of the agreement of May 14, 1963.

They expressed satisfaction that a new agreement had been reached last month concerning the liberalization of trade in order to implement the said agreement.

They further expressed the hope that such trends toward development of trade would continue in the future.

The Prime Minister and Premier also expressed the hope that exchanges in the realm of culture, science, and technology would be developed swiftly in the future.

The current visit by Premier Pompidou, which had been decided on quite some time ago, had been extremely timely.

The two parties confirmed that the visit made a big contribution toward strengthening the bonds of friendship uniting Japan and France.

3103/11/62
146
DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

MB.

I.11637.

FROM:

DATED: 9TH APRIL, 1964.
1540.

AUSTRALIAN EMBASSY,
TOKYO.

REC'D: 9TH APRIL, 1964.
1810.

265.

UNCLASSIFIED.

REPEATED PARIS.

JOINT COMMUNIQUE ISSUED TODAY FOLLOWING TALKS BETWEEN FRENCH AND JAPANESE PRIME MINISTERS AND FOREIGN MINISTERS STRESSED THE PARTICULARLY CORDIAL ATMOSPHERE OF THE TALKS WHICH RANGED OVER CURRENT INTERNATIONAL ISSUES WITH SPECIAL REFERENCE TO CHINA, SOUTH-EAST ASIA, EUROPEAN QUESTIONS, EAST-WEST RELATIONS, UNCTAD AND FORTHCOMING GATT TARIFF NEGOTIATIONS. IT SAID THAT BOTH PRIME MINISTERS EXPRESSED A FIRM WISH TO INCREASE THE NUMBER AND SCOPE OF CONTACTS BETWEEN THE TWO COUNTRIES, TO COOPERATE AT ALL LEVELS IN DEALING WITH ANY PROBLEMS WHICH EXIST AND TO HARMONIZE AS MUCH AS POSSIBLE THEIR ATTITUDE ON GENERAL QUESTIONS OF MUTUAL INTEREST. THEY RECOGNIZED THAT ANY THREAT TO PEACE NO MATTER WHERE IT MIGHT ARISE CANNOT BE A MATTER OF UNCONCERN TO NATIONS IN OTHER PARTS OF THE WORLD.

2. AS REGARDS TRADE, THE TWO PRIME MINISTERS NOTED THAT AN APPRECIABLE INCREASE IN VOLUME HAD TAKEN PLACE SINCE THE SIGNING OF THE FRANCO-JAPANESE AGREEMENT IN MAY 1963. THEY NOTED WITH SATISFACTION THE RECORD ON TRADE LIBERALIZATION CONCLUDED LAST MONTH IN IMPLEMENTATION OF THE AGREEMENT AND HOPED THAT THESE TRENDS WOULD CONTINUE.

3. FULL TEXT OF COMMUNIQUE IS BEING SENT BY BAG.

4. AS FREQUENTLY HAPPENS HERE ON SUCH OCCASIONS THE PRESS WAS GIVEN IN ADDITION A FAIRLY FULL BRIEFING ON THE SUBSTANCE OF THE DISCUSSIONS, AND THEIR REPORTS INDICATE THAT THE CHINA QUESTION WAS THE MAIN TOPIC CONSIDERED AND THAT BOTH SIDES RESTATED THEIR RESPECTIVE POSITIONS. THE JAPANESE SAID THAT THEY WOULD CONTINUE TO SUPPORT NATIONALIST CHINA AND TO HAVE THE PROBLEM OF CHINESE REPRESENTATION AT THE FORTHCOMING UNGA DESIGNATED AN "IMPORTANT" QUESTION AS REGARDS VOTING PROCEDURES. THE FRENCH PRIME MINISTER SAID THAT FRANCE WOULD NOT MAKE ANY CONSCIOUS MOVES THAT WOULD WEAKEN TAIWAN'S POSITION AND WOULD NOT ACTIVELY ENCOURAGE ITS EXPULSION FROM THE UNGA DURING THE COMING SESSION. THE FRENCH FOREIGN MINISTER ACKNOWLEDGED THE FACT THAT THE ISLAND IS NOW UNDER THE CONTROL OF NATIONALIST CHINA AND POINTED OUT THAT THE LEGAL TITLE TO THE ISLAND IS A QUESTION TO BE SETTLED IN THE FUTURE.

AS REGARDS TRADE WITH COMMUNIST CHINA, HOWEVER, BOTH COUNTRIES AGREED ON SUPPORTING TRADE WITHIN THE FRAMEWORK OF THE COCOM EMBARGO LIST AND ON A COMMERCIAL BASIS.

...../2

INWARD CABLEGRAM

MB.

- 2 -

I.11637

5. THE JAPANESE ARE REPORTED TO HAVE " MAINLY LISTENED" TO THE FRENCH EXPOSITION OF ITS PLAN TO NEUTRALIZE VIETNAM. THE FRENCH ARGUED THAT THE INDO-CHINA PROBLEMS SHOULD BE HANDLED POLITICALLY RATHER THAN MILITARILY., THAT THERE WAS NO OTHER WAY TO PROTECT THE INDEPENDENCE OF THE THREE COUNTRIES IN THAT AREA THAN TO NEUTRALIZE THEM., AND THAT THEIR VIEWS HAD REMAINED UNCHANGED SINCE 1954.

6. THE JAPANESE SOUNDED OUT THE FRENCH ON THE POSSIBILITY OF FLOATING BONDS IN FRANCE. THE FRENCH REPLIED THAT CAPITAL IN FRANCE WAS AT PRESENT NOT SUFFICIENTLY ABUNDANT TO ABSORB FOREIGN BONDS BUT THAT, WHEN IT WAS, JAPAN WOULD BE GIVEN PREFERENTIAL TREATMENT.

7. THE FRENCH DELEGATION WILL SPEND THE NEXT THREE DAYS SIGHTSEEING AND WILL LEAVE JAPAN ON 12TH APRIL. FRENCH REPORTERS COVERING THE VISIT WERE REPORTED HERE TO HAVE COMPLAINED THAT THE JAPANESE WERE IMPOLITE ENOUGH TO HAVE ISSUED THE OFFICIAL ITINERARIES IN ENGLISH AND ALSO TO HAVE ALLEGED THAT GENERAL MACARTHUR'S DEATH WAS FEATURED MORE PROMINENTLY IN THE JAPANESE PRESS THAN WAS M. POMPIDOU'S ARRIVAL. NEITHER CHARGE IS TRUE, ALTHOUGH IT IS A FACT THAT THE CRASH OF A U.S. SECURITY FORCE FIGHTER IN A JAPANESE TOWN TENDED TO OVERSHADOW THE ARRIVAL OF THE FRENCH DELEGATION. ON THE OTHER HAND CLEVER TIMING AND PUBLICITY REGARDING THE DISPLAY HERE OF THE VENUS DE MILO HAS LEFT THE JAPANESE MAN IN THE STREET WITH THE IMPRESSION THAT THE STATUE WAS THE WORK OF A FRENCHMAN.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
A/MIN. & DEPT TRADE & INDUSTRY
TREASURER & TREASURY
P.M.'s

9TH APRIL, 1964.

SEC	FAS(1, 2, 4)	AS(3)	AS(JIC)	S&SEA	M&I	M	DL	INT
UN	PACAM	AMSP	EA	C&P	EAMEC	E	AFME	INF
CR	PIO						MT	ER
LONDON	NEW DELHI	NEW YORK(UN)	OTTAWA	SAIGON	WASHINGTON			
WELLINGTON								

3103/11/62 144
DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

JPH

I.49.

DATED: 31ST DECEMBER, 1963.
1805.

REC'D: 1ST JANUARY, 1964.
0625.

FROM:

AUSTRALIAN EMBASSY,
PARIS.

2239.

CONFIDENTIAL.

REPEATED LONDON 513 FOR EXTERNAL, WASHINGTON 218.

CONVERSATION WITH DIRECTEUR D'ASIE-OCEANIE.

FOLLOWING ARE POINTS FROM TALK WITH MANAC'H ON 31ST DECEMBER
BEFORE MY DEPARTURE FOR AUSTRALIA.

CHINA.

MANAC'H SAID COUVE HAD POINTED OUT TO PRESIDENT KENNEDY
DURING HIS VISIT TO WASHINGTON THAT INDOCHINESE PROBLEMS
COULD NOT BE SETTLED WITHOUT TAKING ACCOUNT OF THE "CHINESE
FACTOR".

MANAC'H WENT ON TO SPEAK OF CHINA AND ITS RELATIONS WITH
THE U.S.S.R. IN TERMS THAT SUGGESTED FRENCH DESIRE FOR MORE DIRECT
KNOWLEDGE AND CONTACTS.

HE REMARKED THAT CHINESE PRACTICAL ATTITUDE TO QUESTIONS
OF WAR AND PEACE WAS SOMETIMES MORE FLEXIBLE THAN CHINESE
DOCTRINE, ESPECIALLY AS PRESENTED BY THE RUSSIANS.

THERE WAS AN ELEMENT OF CALUMNY IN THE SOVIET VERSION.

I OBSERVED THAT WHAT HE SAID ADDED UP TO A FRENCH BELIEF
IN THE DESIRABILITY OF MORE NEGOTIATION WITH THE CHINESE AND
INDEED RECOGNITION.

HE SAID IT WAS STILL PREMATURE TO SPEAK OF RECOGNITION:
AS FAR AS THE QUAI D'ORSAY WAS CONCERNED THINGS HAD NOT GONE
BEYOND THE ARRANGEMENTS FOR COMMERCIAL AND CULTURAL CONTACTS
WHICH HE HAD TOLD ME ABOUT EARLIER.

HE ADDED "VERY CONFIDENTIALLY", HOWEVER THAT HE UNDERSTOOD
EDGAR FAURE HAD EXTRACTED FROM THE CHINESE - NOT WITHOUT DIFFICULTY -
THE CONFIRMATION THAT THEY WOULD BE PREPARED TO ENTER INTO POLITICAL
RELATIONS WITH FRANCE "WITHOUT RAISING THE QUESTION OF FORMOSA".

CLEARLY THIS WAS A SINE QUA NON: FRANCE COULD NOT DISCARD
THE PRINCIPLE OF SELF-DETERMINATION WHICH WAS BASIC TO ITS
FOREIGN POLICY.

AGAIN IN STRICT CONFIDENCE HE SAID THAT THE DOSSIER WAS STILL
UNDER STUDY AT THE ELYSEE, AND PERSONALLY HE WOULD AWAIT
WITH GREAT INTEREST GENERAL DE GAULLE'S JANUARY PRESS CONFERENCE.

CAMBODIA.

MANAC'H SAID THE FRENCH REMAINED IN FAVOUR OF A CONFERENCE,
BEING UNABLE TO SEE HOW ANYTHING COULD BE ACHIEVED WITHOUT ONE.

IDEAS OF A SERIES OF BILATERAL ARRANGEMENTS WERE IMPRACTICABLE
IN PRESENT CIRCUMSTANCES.

HE HOPED THAT FRANCE WOULD NOT BE LEFT ALONE WITH THE
COMMUNIST POWERS IN SUPPORTING THE IDEA OF CONFERENCE.

...../2

CONFIDENTIAL

CONFIDENTIAL

INWARD CABLEGRAM

- 2 -

JPH

1.49.

HE WAS GREATLY VEXED AT "NEW YORK TIMES" (26TH DECEMBER) DISCLOSURE OF DETAILS OF TRIPARTITE TALKS ON CAMBODIA WHICH WAS CALCULATED TO ANGER SIHANOUK BEYOND MEASURE. IT HAD BEEN NECESSARY TO BREAK OFF THAT CONSULTATION AND THE FRENCH WERE NOW APPLYING THEMSELVES AGAIN TO TRYING TO EXTRACT FROM SIHANOUK A STATEMENT OF HIS DESIDERATA. MEANWHILE THEY HAD TAKEN DECISIONS ON INCREASED AID THAT MESSMER WOULD BE EMPOWERED TO OFFER CAMBODIA.

VIETNAM.

MANAC'H SAID THAT WHAT WAS WRITTEN IN THE 1954 AGREEMENT ADDED UP TO A NEUTRALITY SOLUTION THOUGH THE WORD WAS NOT USED. THE FRENCH WERE NOT SO NAIVE AS TO FAVOUR NEUTRALISING SOUTH VIETNAM WHILE THE NORTH CONTINUED TO PRESENT AN ARMED THREAT. A NEGOTIATED CEASE FIRE WAS ANOTHER MATTER. AMERICAN REASONING IN FAVOUR OF BUILDING UP A MORE ADVANTAGEOUS NEGOTIATING POSITION WAS SEEMINGLY LOGICAL, BUT EVENTS DID NOT ALWAYS WAIT ON LOGIC. IN PRACTICE THERE WAS ALREADY EVIDENCE THAT EVERY MOVE TO STEP UP MILITARY ACTION ON THE G.V.N. SIDE WOULD BE AT LEAST MATCHED BY THE COMMUNISTS WHO WERE INCREASINGLY WELL ARMED, AND THE FINAL RESULT OF SUCH ESCALATION WOULD PROBABLY BE THAT NEGOTIATIONS WOULD HAVE TO BE HELD UNDER WORSE CONDITIONS (HE CITED THE DEGRADATION OF THE LAOTIAN SITUATION IN THE PRE-CONFERENCE STAGE WHEN EACH SIDE WAS RECEIVING EXTERNAL AID.)

INDIA AND JAPAN.

MANAC'H HAD VISITED INDIA IN DECEMBER IN COURSE OF PROGRAMME NOW INAUGURATED FOR CONSULTATIONS BETWEEN FOREIGN MINISTRIES WHICH INDIANS HAD PROPOSED AND FRENCH HAD BEEN GLAD TO ACCEPT. THESE REGULAR CONSULTATIONS HAD NOT YET REACHED MINISTERIAL LEVEL, AS WITH JAPAN BUT WERE BEING DEVELOPED AND WERE REGARDED BY THE FRENCH AS VERY USEFUL. MANAC'H SAID THAT SIMILAR EXCHANGES WITH JAPAN HAD BEEN FOUND MUTUALLY USEFUL, ESPECIALLY IN VIEW OF FRENCH POSITION IN EUROPE AND JAPAN'S KNOWLEDGE OF AND REGULAR CONTACTS WITH CHINA. MANAC'H AGREED THAT THESE CONTACTS WITH INDIA AND JAPAN WERE PART OF THE MORE ACTIVE INTEREST WHICH FRANCE WAS NOW ABLE TO TAKE IN ASIA GENERALLY, AND FOR WHICH PREPARATIONS HAD BEEN IN TRAIN FOR THE PAST THREE YEARS.

INDONESIA.

MANAC'H CONFIRMED THAT PENDING ARMS REQUESTS WOULD BE KEPT "UNDER STUDY" AND DEALT WITH ACCORDING TO DEVELOPMENT OF POLITICAL SITUATION. HE UNDERTOOK TO LOOK INTO RASURA RADAR OF WHICH HE HAD NO KNOWLEDGE.

MIN. & DEPT E.A.
MIN. & DEPT DEFENCE
P.M.'s

...../3

1st January, 1964

CONFIDENTIAL

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS

INWARD CABLEGRAM

- 3 -

I. 049

SEC FAS(1,2,4) AS(3) AS(JIC) S&SEA M&I M DL INT UN PACAM
AMSP EA EAMEC E INF MT
HONG KONG MOSCOW SEOUL TOKYO

3103/11/62 141

UPI-64

PARIS, NOV. 20 (UPI)—THE NATIONAL ASSEMBLY TODAY GAVE ITS FULL APPROVAL TO THE NEW JAPANESE-FRENCH ECONOMIC AND TRADE AGREEMENT.

APPROVAL CAME AFTER A BRIEF DEBATE IN WHICH FOREIGN MINISTER MAURICE COVE DE MURVILLE PRAISED FRENCH-JAPANESE RELATIONS AND WARMLY RECOMMENDED ENDORSEMENT OF THE LEGISLATION.

NO FORMAL VOTE WAS TAKEN. ASSEMBLY VICE CHAIRMAN JEAN MONTALAT PROMPTED THE PACT ADOPTED +NEMINE DISENTIENT+ (WITHOUT OPPOSITION).

ITS PASSAGE IN THE SENATE WAS A FOREGONE CONCLUSION.

DU5:45A

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

FJ 103117/5

Foreign Office and Whitehall Distribution

JAPAN
September 26, 1963
Section 1

REGULAR FRANCO-JAPANESE CONSULTATIONS

Sir Pierson Dixon to Lord Home. (Received September 26)

SUMMARY

Mr. Ohira, the Japanese Minister for Foreign Affairs, visited Paris from the 5th to the 8th of September for the first of the regular Franco-Japanese consultations. He called on the Prime Minister and had discussions with the Foreign Minister: both M. Pompidou and M. Couve de Murville are to visit Tokyo in 1964. The clash with the official visit of the Prime Minister of Sierra Leone detracted from the value of the talks (paragraphs 1-4).

2. The main exchanges concerned East-West relations, the Sino-Soviet dispute and South-East Asia. According to the Japanese Embassy, Mr. Ohira was not convinced by the explanations of French policy. Japan hopes for the development of a common Western policy towards China. The French view is that national interest rather than ideologies dominates the policy of all Asian countries (paragraphs 5-11).

3. The French believe the Japanese have become "a purely mercantile people" with little interest in general world issues. They do not therefore expect to gain much from regular consultations but recognise their value in making Japan feel part of the Western community. The Japanese opinion is that the French and Chinese have much in common: both are difficult to deal with (paragraphs 12-16).

(No. 145. Confidential) Paris,
My Lord, September 24, 1963.

I have the honour to report that the Japanese Minister for Foreign Affairs paid an official visit to Paris from the 5th to the 8th of September. Mr. Ohira had come direct from London following his talks with your Lordship and with the President of the Board of Trade.

2. This visit was the first of a series of regular consultations at Ministerial level between the Japanese and French Governments, which had been agreed in principle during M. Couve de Murville's visit to Japan in April and subsequently confirmed in Press announcements on the 29th of June.

3. The main part of Mr. Ohira's visit consisted of his conversations with M. Couve de Murville on the morning and afternoon of the 6th of September. He was not received by General de Gaulle but he called on the French Prime Minister in

order to convey to M. Pompidou an official invitation to visit Japan, which the latter accepted. I understand from the Japanese Embassy that M. Pompidou's visit will probably take place at the beginning of March next year. M. Pompidou is interested in Japan and Japanese culture; indeed I am told that it was only after some difficulty and embarrassment that the Japanese Government were able to dissuade him from coming this year in the place of M. Couve de Murville. The latter will be going to Tokyo again early in the New Year for the second round of Ministerial consultations.

4. The programme for the talks between the two Foreign Ministers in Paris was somewhat marred by the official visit to Paris of the Prime Minister of Sierra Leone which was taking place at the same time and of which I have given your Lordship an account in my despatch No. 140 of the 11th of September. It had been previously

CONFIDENTIAL

19808-421 299-21

arranged that the conversations with M. Couve would be continued over lunch at the Japanese Embassy. There was however a muddle on the French side (they do not seem very well equipped to cope with two simultaneous official visits), and at the last moment the Japanese were informed that General de Gaulle was insisting that his Foreign Minister should attend the lunch he was giving that day for Sir Milton Margai. The Japanese protested fairly strongly, with the result that M. Couve came to lunch with Mr. Ohira but left early to take part in the post-prandial chat at the Elysée and consequently arrived late for the resumption of the official talks with the Japanese at the Quai d'Orsay. This, according to the Japanese Embassy, had detracted from the value of the exchanges since M. Couve, who had been in excellent form in the morning, was visibly tired in the afternoon and did not try very hard to interest his visitor.

5. The following account of the talks themselves is based on information given to us by the Quai d'Orsay and the Japanese Embassy. Most of the time was taken up with discussions on East-West relations, the Sino-Soviet dispute and events in South-East Asia. Franco-Japanese economic and cultural relations were hardly mentioned. At one point Mr. Ohira asked about the French attitude to the Kennedy Round, but M. Couve's reply, according to the Japanese, had been rather evasive.

6. In the discussion on East-West relations Mr. Ohira had explained why the Japanese Government were so attracted by the Moscow Test Ban Treaty. They were after all the only country to have suffered an atomic attack. The Japanese people were firmly opposed to the manufacture, possession or use of all types of nuclear weapons. Mr. Ohira had not directly reproached the French for refusing to sign the treaty, nor had he referred to French plans for testing in the atmosphere in the Pacific. He had merely asked for an explanation of the French position which M. Couve had given him on the usual lines.

7. Mr. Ohira had then asked what the French Government thought of recent developments in East-West relations. M. Couve had explained the French position diplomatically. They had no fundamental differences with the Americans and only disagreed with them on the tactics to be adopted in dealing with the Russians.

France saw more risk than advantage in negotiating with the Russians at this time on questions affecting the security of Europe. Mr. Ohira said that, while he understood the French position, he was inclined to favour the view that it was to the general advantage of the West to examine the possibilities of a further *détente* with the Russians, provided no undue risks were taken; and he expressed the hope that the French would be able to find ways of reconciling their position with that of their allies. In speaking about Germany and Berlin he clearly had in mind the repercussions which any significant changes might have on the other divided countries, especially Korea.

8. Although reserved in his comments Mr. Ohira was not, according to the Japanese Embassy, at all convinced by M. Couve's explanations of the French position. The Japanese, here at least, are under no illusions about General de Gaulle's objective of bringing about a withdrawal of American forces from Europe in order to realise his ultimate visions. The Minister at the Japanese Embassy, for example, has shown great interest in a recent book analysing General de Gaulle's foreign policies under the title of "The Atlantic to the Urals" (on which I have commented in my despatch No. 144 of the 23rd of September) and had discussed this with his Foreign Minister during his visit.

9. The most interesting part of the talks was the discussion on China and Sino-Soviet relations. The Japanese had previously received from the French a copy of a paper, prepared by M. Laloy, with the general analysis of which they found themselves in agreement. In speaking to M. Couve the Japanese Foreign Minister expressed views similar to those he gave your Lordship earlier in the week. He thought that the Sino-Soviet dispute was due primarily to national rivalry rather than ideological factors. Although he was fairly cautious in his comments on American policy towards China he gave the French the impression that he thought the Americans were mistaken in trying to isolate the Chinese Communists. At one point he also seemed to indicate that he considered a "two China" policy to be the right solution. But he had also mentioned the difficulties which would confront Japan in adopting such a policy owing to pressures from the Formosans, which were potentially effective by virtue of the island's trade with

CONFIDENTIAL

Japan, especially in sugar. Mr. Couve had explained to M. Couve the difficulties the Japanese Government encountered in maintaining their present position *vis-à-vis* Communism. The Japanese people did not seem to have any Communist Chinese as the arch-enemy. The Japanese business community were interested in growing interest in development with the mainland. There was a growing interest in development amongst the Left wing, including the intellectuals. There was now of regular contact between Japan and another kind of Government which the Japanese Government could easily control. Mr. Ohira cited a number of examples, although the numbers of Japanese were visiting in unofficial capacities, few of them pass on what they had gleaned from the Japanese Government on the subject. Consequently the Japanese Government was not as well informed as they were to be about the internal situation. Despite these difficulties and uncertainties Mr. Ohira considered that the right for the Japanese Government in the circumstances was to encourage contacts with mainland China, especially regards trade. When it was possible more clearly what was likely to happen in China he hoped that the Western world, including Japan, would try to adopt a common policy.

10. In speaking to us later about the conversation the Quai d'Orsay stressed on Japan's traditional attitude towards China, and on the fact that Japan, with the mainland Chinese, to be 25 per cent of their trade, was now less than 10 per cent. Moreover, it was certain that Japanese youth and Japanese were wishing to develop cultural contacts with China. The Quai at least clear the Japanese Government a considerable pressure to allow contacts with China. The Japanese right that this should happen they are encouraging the Japanese direction, since it would be in line with Gaullist philosophy to traditional habits of the Japanese reasserting themselves.

11. In the conversation M. Couve had expressed his agreement with Mr. Ohira's view that the dispute was a clash of national interests, not of ideologies. He had

Japan, especially in sugar. Mr. Ohira had explained to M. Couve the difficulties his Government encountered in maintaining its present position *vis-à-vis* Communist China. The Japanese people did not regard the Communist Chinese as the arch enemy. The business community were interested in trade with the mainland. There was also a growing interest in developments in China amongst the Left wing, including most of the intellectuals. There was now a good deal of regular contact between Japanese of one kind or another and the Chinese authorities, which the Japanese Government could not easily control. Mr. Ohira cited fishing, post and telegraphs and meteorology as examples. Nevertheless, although large numbers of Japanese were visiting China in unofficial capacities, few of them saw fit to pass on what they had gleaned to the Japanese Government on their return. Consequently the Japanese Government was not as well informed as they would like to be about the internal situation in China. Despite these difficulties and uncertainties Mr. Ohira considered that the right policy for the Japanese Government in present circumstances was to encourage increased contacts with mainland China, especially as regards trade. When it was possible to see more clearly what was likely to happen in China he hoped that the Western Powers, including Japan, would try to work out a common policy.

10. In speaking to us later about this part of the conversation the Quai d'Orsay laid stress on Japan's traditional links with China, and on the fact that Japanese trade with the mainland Chinese, which used to be 25 per cent of their total export trade, was now less than 1 per cent. Moreover, it was certainly true that Japanese youth and Japanese intellectuals were wishing to develop cultural links with China. The Quai at least clearly believe that the Japanese Government are under quite considerable pressure to allow more official contacts with China. The French think it right that this should happen, and I expect they are encouraging the Japanese in this direction, since it would be in accordance with Gaullist philosophy to wish to see the traditional habits of these big nations reasserting themselves.

11. In the conversations themselves M. Couve had expressed full agreement with Mr. Ohira's view that the Sino-Soviet dispute was a clash of national interests and not of ideologies. He had cited Chinese

population pressure as one of the main factors. Indeed throughout Asia it was purely national interests which motivated the policies of Governments. The Russian rapprochement with India had nothing ideological about it; it was simply due to Russian fear of China's advancement into the sub-continent. India was now acting under the compulsion of having to defend her own frontiers; she could no longer afford the luxury of her so-called neutrality. And Pakistan "the most reactionary of all these States" was now seeking some accommodation with China to redress the balance in her quarrel with India. If Western policies were to be effective they must proceed from an understanding that it was power politics and national rivalries of a traditional kind which were controlling things in Asia. This was why the French Government thought the Americans were unwise in seeking to support the Russians against the Chinese in South-East Asia. It would be better not to interfere on one side or the other in the Sino-Soviet dispute but rather to let the two parties face their own difficulties. The relations between Moscow and Peking might one day change again. The West should therefore keep its own position open and uncommitted.

12. Unfortunately, according to the Japanese Embassy, Mr. Ohira failed to question M. Couve as to what conclusions he drew from this analysis in terms of French policies towards China, but turned the conversation back to the question of trade between China and Japan. He did, however, at one point ask about recognition of the Peking Government and M. Couve had replied that he saw no likelihood of any changes in the United Nations in the near future.

13. This comparative lack of interest on Mr. Ohira's part, together with the subsequent discussions between officials of the Quai d'Orsay and Mr. Hogen of the Japanese Ministry of Foreign Affairs, have left the French with the impression that the Japanese are not very deeply concerned with these wider questions but are thinking most of the time of their own commercial interests. As one French official put it "they seem to have become a purely mercantile people".

14. The two Foreign Ministers also discussed the situation in South Vietnam. Mr. Ohira had asked about General de Gaulle's recent statement on the subject but

CONFIDENTIAL

CONFIDENTIAL

M. Couve had merely given the official explanation and had not seemed to want to discuss the subject further. We understand from the Japanese Embassy that Mr. Ohira had not been altogether satisfied with the French explanation but had contented himself with pointing out that any move towards the reunification of Vietnam was likely to have repercussions in Korea which was a sensitive area for the Japanese.

15. The French undoubtedly wish to make a success of this series of consultations with the Japanese Government since they realise the importance of making the Japanese feel that they are full members of the Western community. But they do not expect to get very much out of these exchanges because Japanese political reporting, in contrast with the excellent commercial and economic reports which they produce, is rather weak; even on Far Eastern and South-East Asian matters where the Japanese might have been expected to have something to say there was, in fact, little that they could add to what the French already knew.

16. As a postscript to this despatch I would record some remarks which the

Minister at the Japanese Embassy made to my Head of Chancery and which are, I think, both amusing and revealing. Mr. Kitahara, who has had a good deal of diplomatic experience both in Europe and in the United States, said that in their dealings with the French the Japanese were constantly reminded of their dealings with the Chinese. The two peoples seemed to be similar in many respects; both displayed the same sense of pride, dignity and cultural superiority. Indeed the French, especially under General de Gaulle, seemed to have the mentality and outlook of inhabitants of the "middle kingdom" of the West. The Japanese found all this rather difficult when negotiating with or consulting the French, in contrast with their relations with the other Western Powers.

I am sending copies of this despatch to Tokyo, Washington, United Kingdom Delegation to NATO, United Kingdom Delegation to O.E.C.D., Moscow, Seoul and Peking, and to the Commissioner-General for South-East Asia at Singapore.

I have, &c.

PIERSON DIXON.

CONFIDENTIAL

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper Tanaka's Statement File No. 3103/11/62
Published at Tokyo Date 4-7-63

French-Japanese relations

8. On 28th June it was announced that the Japanese and French Governments have agreed to hold regular meetings of their Foreign Ministers at least once a year to discuss prevailing international issues as well as particular problems of the two countries. The regular Foreign Ministers' conferences will be held alternately in the capitals of the two countries beginning with the first meeting in Paris later this year.

CONFIDENTIAL

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

FJ 103117/2

Foreign Office and Whitehall Distribution

Japan
May 1, 1963
Section 1

VISIT OF FRENCH FOREIGN MINISTER TO JAPAN

Sir Oscar Morland to Lord Home. (Received May 1)

SUMMARY

M. Couve de Murville paid an official visit to Japan from the 12th to the 20th of April. Political discussions with the Japanese Prime Minister and Foreign Minister were apparently far-reaching but inconclusive. Japanese suggestions about regular Cabinet-level discussions were not accepted (paragraphs 1 and 2).

2. Economic discussions were more important. France will not invoke Article 35 of the GATT against Japan after the new Trade Agreement is signed and she fully supports Japanese membership of O.E.C.D. (paragraphs 4 and 5).

3. The Press were rather cool to the visit. There were several reasons for this, including M. Couve's unwillingness to comment on Chinese questions of interest to Japan. Some French officials complained of a similarly offhand reception by the Japanese Government and seemed to ascribe this to British machinations. But, although the visit was less successful than that of Lord Home in April, the Japanese made clear the importance they attach to good relations with France.

(No. 45. Confidential)

Tokyo,
April 27, 1963.

I have the honour to inform you that M. Couve de Murville, the French Foreign Minister, accompanied by Mme. Couve de Murville and a number of senior members of the Quai d'Orsay, paid an official visit to Japan from the 12th to the 20th of April as the guests of the Japanese Government. In form his programme was very similar to that prepared for your Lordship's recent visit to this country and I need not rehearse the details of it here.

2. As in your Lordship's case, the latter half of M. Couve de Murville's visit was devoted primarily to talks with the Japanese Prime Minister and Foreign Minister. In the political field these seem to have been far-ranging but inconclusive and to have covered such subjects as the improvement of Franco-Japanese relations; the European situation after Brussels; and the situation in South-East Asia. In reply to an enquiry by the Japanese M. Couve de Murville

expressed some doubt about the practical possibility of regular consultation at Cabinet level alternately in France and Japan but he said that once Japan was a full member of O.E.C.D. Japanese Ministers would often be in Paris and would be welcome to discuss points at issue with their French opposite numbers. He agreed to intensify consultations between the French and Japanese Government machines.

3. The economic questions discussed were considered sufficiently important to justify a joint statement at the end of the official communiqué. This noted that the two Governments had agreed to establish future commercial relations between their countries on a new basis, keeping in mind the principle of non-discrimination. It was noted in particular that the French Government had expressed its intention to disinvoke Article 35 of the General Agreement on Tariffs and Trade (GATT) with regard to Japan as soon as the new Trade Agreement with the Japanese

CONFIDENTIAL

19808-158 294-25

As Res
Main make advised → ER Ph NSE Summary
then 9/15/77. Paris 143. Could
you not have it copied? 1009/7
→ EAST Asia
as this is mainly
Economic, suggest
ER file 9/15/77

Government became effective and that the Japanese Government had agreed to work out with the French Government a mutual escape clause. The French Government had concluded that under such conditions they could proceed with the liberalisation of an appreciable number of products of interest to Japan which had hitherto been subject to quotas. The Japanese had asked the French to continue this process.

4. Some Japanese Press reports have suggested that the new Trade Agreement will be signed within the next few days, but the French Embassy is rather more cautious. M. Couve de Murville did not take part in the detailed negotiations and the Japanese apparently made no headway when they asked him to reduce the number of "sensitive" items whose import into France would be restricted under the agreement. On the other hand he was able to promise the Japanese full French support for their application to join the Organisation for Economic Co-operation and Development. The United States proposals for multilateral tariff negotiations were also discussed with M. Couve de Murville, who publicly expressed considerable reserve towards the general idea of a 50 per cent across the board reduction in tariffs over a five-year period.

5. The French profess to be pleased with the visit which, according to the official communiqué, "took place in a particularly cordial atmosphere". In speaking to a member of my staff the Counsellor of the French Embassy expressed himself as well satisfied with the results of M. Couve de Murville's discussions with Mr. Ikeda and Mr. Ohira, and with the visit as a whole. I understand, however, that in private some at least of the Embassy have complained of what they call the offhand attitude of the Japanese to their Foreign Minister, which they apparently ascribe to British machinations.

6. This is almost certainly unfair to the Japanese Government who were (as they frankly admitted to us) anxious to avoid any suggestion of discrimination in favour of one country or the other and for this reason were careful to ensure that M. Couve de Murville's visit and your own followed almost exactly the same pattern.

7. But the French did have reason to be disappointed with the reactions of the Japanese Press. Although coverage improved towards the end of the visit it

was generally rather thin and the tone was cool in comparison with the very favourable comment which your Lordship received. For this there were a number of reasons. Not only was M. Couve de Murville not the first on the scene, but his visit coincided with the opening round of the local elections, in which several important posts were at stake, including the governorships of Tokyo and Osaka. He could not refer, as you did, to the successful conclusion of a commercial treaty and when asked about Chinese representation in the United Nations and trade with China—both topics of prime interest here, as you know—he made vague and unconvincing replies which apparently pleased the American Embassy in Tokyo but roused no interest among the Japanese. To do him justice, he was equally uncontroversial in public about the possibility of British membership of the European Economic Community (E.E.C.) and refused to accept the challenge offered by your Lordship's speculation as to what he would say on the subject, although your remark was naturally quoted to him at his own Press conference. My staff have been informed in confidence by the Ministry of Foreign Affairs that in his talks with Mr. Ikeda and Mr. Ohira he contented himself with presenting the French case dispassionately, without attempting to score off Her Majesty's Government.

8. So far as the reactions of leading Japanese were concerned, the success of M. Couve de Murville's visit was probably prejudiced to some extent by his personality and by the fact that he was suspected of being no more than an echo of General de Gaulle. He seems also to have caused some irritation by his assumption that what the Japanese really needed was more contact with French culture and a better acquaintance with the French language.

9. It would, however, be wrong to exaggerate the importance of this, or of the not very enthusiastic welcome given to M. Couve de Murville by the Japanese Press. Apart from reminding Japan that France too supported her entry into the Organisation for Economic Co-operation and Development he was able, as indicated above, to promise disavowal of Article 35 of the GATT, he showed that French views on the "Kennedy Round" were closer to those of Japan than are our own and he was at pains to reiterate constantly that the E.E.C. was not protectionist but outward-looking. Japan is well aware that, if the

Community solidifies
ship and to the exclusi
goodwill may be th
promising of all Ja
markets, and even th
the British conception
to the more limited an
President de Gaulle, s
so openly, or open
preference. The expe
Franco-Japanese com
to encourage the de
relations between the

CONFIDENTIAL

CONFIDENTIAL

3

Community solidifies under French leadership and to the exclusion of Britain, French goodwill may be the key to the most promising of all Japan's future export markets, and even though she may prefer the British conception of the Community to the more limited and parochial vision of President de Gaulle, she is unlikely to say so openly, or openly to act on her preference. The expected signature of the Franco-Japanese commercial treaty is likely to encourage the development of closer relations between the two countries in other

fields also. All one can say is that M. Couve de Murville's visit has not succeeded in introducing a note of real cordiality into the relationship.

9. I am sending copies of this despatch to Her Majesty's Representatives in Moscow, Paris, Peking, Seoul and Washington, and to the Commissioner-General for South-East Asia in Singapore.

I have, &c.

O. C. MORLAND.

CONFIDENTIAL

3103/11/62/3

INWARD CABLEGRAM

DW

I.12765

FROM.

DATED. 15TH MAY, 1963.
1725REC'D. 16TH MAY, 1963.
0317AUSTRALIAN HIGH COMMISSION,
LONDON.

2290.

UNCLASSIFIED.FRANCO-JAPANESE TRADE PACT.

F.T. REPORTS THAT FRANCE AND JAPAN HAVE SIGNED A NEW TRADE AGREEMENT IN WHICH FRANCE AGREED NOT TO APPLY ARTICLE 35 OF G.A.T.T. TO JAPANESE EXPORTS AND ABOLISHED OR INCREASED MANY OF HER IMPORT QUOTAS ON GOODS FROM JAPAN.

F.T. SAYS THIS IS EXPECTED TO INCREASE JAPANESE EXPORTS TO FRANCE BY 40% AND FRANCE EXPORTS TO JAPAN BY SOMETHING LESS.

A/MIN. & DEPT TRADE(C-M)
MIN. & DEPT P.I(C-M)
TREASURER & TREASURY.
MIN. & DEPT N.D.
MIN. & DEPT C. & E.
MIN. & DEPT E.A.
HON. C.W. DAVINDSON.
P.M's DEPT.
P.M's.

16TH MAY, 1963.

SEC A/S's LA MR LOOMES ER COMREL PAC&AM EA AM&SP
EAF&ME E

DEPARTMENT OF EXTERNAL AFFAIRS
OUTWARD CABLEGRAM

136
3103/11/62

ED.

0.10804.

Sent: 24th May, 1963.
2059.

TO:

Australian Embassy,
PARIS.

921. UNCLASSIFIED.

For Trade.

Would appreciate any available information on Trade Agreement recently concluded between Japan and France with texts of agreement and associated documents if available.

A/MIN. & DEPT TRADE (C).
MIN. & DEPT P.I. (C).
TREASURER & TREASURY.
MIN. & DEPT N.D.
MIN. & DEPT C & E.
MIN. & DEPT E.A.
HON. C.W.DAVIDSON.
P.M'S DEPT.
P.M'S.

25th May, 1963.

SEC A/Ss ER PAC&AM EA EAF&ME E INF.

UPI-198

3103/11/62

BY ELIE MAISSI

PARIS, MARCH 28 (KQI)--PRESIDENT CHARLES DE GAULLE PLANS TO SHOW THE FRENCH TRICOLOR AGAIN SOON IN THE FAR EAST. HE HAS REESTABLISHED FRANCE AS A MAJOR INFLUENCE IN EUROPE AND AFRICA. HE HAS DEVELOPED GRANDIOSE PLANS FOR FRENCH ECONOMIC AND CULTURAL EXPANSION IN LATIN AMERICA.

NOW HE IS SENDING HIS FOREIGN MINISTER MAURICE COUVE DE MURVILLE ON A DRUM-BEATING TRIP TO JAPAN IN APRIL, DESIGNED TO RESTORE FRENCH PRESTIGE WHICH HAS BEEN SOMEWHAT ECLIPSED IN THE FAR EAST SINCE THE LOSS OF INDO-CHINA NINE YEARS AGO.

COUVE DE MURVILLE WILL PAY THE FIRST VISIT BY A FRENCH FOREIGN MINISTER TO JAPAN SINCE THE BIRTH OF THE GAULLIST FIFTH REPUBLIC.

HE WILL BE RECEIVED IN AUDIENCE BY EMPEROR HIROHITO, CONFER WITH PREMIER HAYATO OKEDA AND FOREIGN MINISTER MASAYOSHI OHIRA AND VISIT THE JAPANESE CULTURAL SHRINE OF KYOTO.

RH615P

Mr. P. H. H.

ADD FAR EAST PARIS (UPI-198) X X X OF KYOTO. B4

A FRENCH FOREIGN OFFICE SPOKESMAN SAID THE DE GAULLE GOVERNMENT, WHICH IN RECENT YEARS HAS PLAYED HOST TO A NUMBER OF JAPANESE LEADERS, LONG HAS BEEN ANXIOUS TO SEND A SENIOR CABINET MEMBER TO JAPAN.

+IT IS A LONG TIME SINCE A HIGH RANKING FRENCH STATESMAN HAS HAD DIRECT CONTACT WITH JAPANESE LEADERS IN JAPAN,+ THE SPOKESMAN SAID. +WE ARE EARNESTLY DESIROUS OF INTENSIFYING CONSIDERABLY OUR RELATIONS WITH JAPAN.+

COUVE DE MURVILLE LEAVES PARIS APRIL 12 AND WAS EXPECTED TO STAY IN THE KYOTO REGION UNTIL APRIL 18, WHEN THE OFFICIAL PROGRAM BEGINS. HE WILL BE RECEIVED BY THE EMPEROR THE FOLLOWING DAY AND LEAVE AGAIN FOR PARIS APRIL 20.

THE FRENCH FOREIGN MINISTER, WHO IS RATED A FAITHFUL MOUTHPIECE OF DE GAULLE IN ALL FOREIGN POLICY MATTERS, WILL BE ACCOMPANIED BY ONE POLITICAL EXPERT AND ONE EXPERT ON FAR EASTERN AFFAIRS.

OFFICIALS SAID THE TALKS WILL BE FAR-RANGING AND WILL COVER THE WHOLE FIELD OF WORLD POLITICS, EAST-WEST RELATIONS, WORLD TRADE AND RELATIONS BETWEEN FRANCE AND JAPAN.

FRENCH SOURCES SAID COUVE DE MURVILLE WILL SEEK INFORMATION ON DEVELOPMENTS IN RED CHINA. ||

MORE

RH71SP Mr. P. Hill

THIRD FAR EAST PARIS X X X IN RED CHINA. 133

THEY SAID COUVE DE MURVILLE ALSO EXPECTS TO BE QUESTIONED ABOUT THE EUROPEAN COMMON MARKET AND EUROPEAN UNITY PLANS.

JAPANESE LEADERS WERE EXPECTED HERE TO BRING UP AGAIN THE QUESTION OF JAPAN'S ADMISSION TO THE 21-NATION ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD).

JAPAN IS A MEMBER OF OECD'S DEVELOPMENT ASSISTANCE COMMITTEE (DAC). LAST YEAR SHE APPLIED FOR FULL OECD MEMBERSHIP. THE APPLICATION WON GENERAL ENDORSEMENT BUT NO FORMAL ACTION YET HAS BEEN TAKEN ON IT.

FRENCH OFFICIALS ALSO EXPECTED THE TALKS TO DEAL WITH PRESIDENT KENNEDY'S OFFER TO PROMOTE A FULLER FLOW OF TRADE THROUGH NEGOTIATIONS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) AT GENEVA.

JAPAN IS KNOWN TO BE ANXIOUS TO EXPAND HER TRADE WITH EUROPE, PARTICULARLY WITH THE COMMON MARKET COUNTRIES.

TALKS CURRENTLY ARE GOING ON BOTH IN PARIS AND TOKYO ON A NEW FRENCH-JAPANESE TRADE PACT. IT IS EXPECTED TO PROVIDE FOR ELIMINATION BY FRANCE OF RESTRICTIVE MEASURES AGAINST JAPANESE EXPORTS.

IN RETURN, FRANCE WANTS JAPAN TO ACCEPT A LIST OF SO-CALLED +SENSITIVE+ ITEMS ON WHICH FRANCE STILL COULD MAINTAIN SOME PROTECTION AGAINST MASSIVE IMPORTS FROM JAPAN.

RH724P

Mr. P. Hill

132

F - 3103/11/62

Extract from Paris Sav. 18
of 5 Dec. 1962

INWARD SAVINGRAM

CONFIDENTIAL

I.31543.

-3-

representation of the French people's will over that expressed by the representatives in Parliament.

Economic and Social

11. The Paris stock market reacted favourably to the election results in increases in prices ranging from 3 to 5%. There was evidence of the continuation of the French economic boom and the picking up of business activity during the previous month following the return from summer vacations. The readjustments going on within the French economy were reflected in the employment situation: while unfilled vacancies almost doubled compared with same period last year, the number of registered unemployed has risen by some 60%. The latter figure is largely a result of the registration of the repatriates from Algeria. Some difficulty continues in integrating these people successfully into the French economy. At the same time the number of Algerian workers coming to France has risen dramatically in the last two months. From an average figure of two to three thousand per month during 1960/61 the figure in October grew to 15,000 and in October to 24,000 - a reflection of the economic situation in Algeria. Among the Algerian nationals coming to France a significant element is the "Harkis" Moslems who served with the French forces during the Algerian war. In the face of difficulties and discriminations in Algeria they appear to be coming to France in ever increasing numbers, creating something of a political problem for the French Government; while not wishing to appear ungrateful for the services which the Harkis performed for France, the Government is at the same time sensitive to Algerian opinion on the subject.

12. The revolutionary fervour of the Algerian leadership continued to take precedence over the pressing economic problems facing the country. Algeria is being kept afloat at the moment by a continuation of direct French aid amounting to almost £41,000,000 a day as well as indirect contributions in the form of teachers, instructors and technical aid. There were signs however that towards the end of the month the Algerian leadership had got around to facing some of its economic problems. The first substantive discussion of co-operation with France under the Evian Agreement was undertaken with the arrival in Paris of the Algerian Minister for Foreign Affairs, M. Khenisti on the 29th November. He held long and detailed discussions with French ministers and officials. At this stage there is no evidence that the talks were anything but successful.

13. The first of a series of steps was taken during the month to re-establish relations between France and Guinea with whom relations were broken in 1958. With the establishment of Evian Agreements in March, Sekou Touré made the opening move for a rapprochement. Deciding to proceed at his own pace General de Gaulle took, during November, the first of several steps designed to normalise relations, by sending a small technical mission to Conakry to establish an "inventory" of the outstanding items to be settled between the two countries. The mission accomplished its task successfully and has laid the foundation for further substantive discussions.

14. The Japanese Prime Minister, M. Ikeda, and his Minister for Economic Affairs, M. Miyazawa, visited France from the 8th to 12th of November to discuss mainly trade and economic matters. The official communiqué mentioned the further development of commercial exchanges between France and Japan, the solutions of problems arising under GATT and the desirability of closer relations between Japan and the member of the OECD. The French privately expressed support for Japan's admission to the OECD.

15. The press reported that the German Government had replied to French proposals for closer co-operation between the two powers. The reports mentioned that the proposals, which were said to include permanent

CONFIDENTIAL

INWARD CABLEGRAM

JW

I.28876

DATED. 15TH NOVEMBER, 1962,
1855REC'D. 16TH NOVEMBER, 1962,
2250

FROM,

AUSTRALIAN EMBASSY,
PARIS.1490 CONFIDENTIAL.

REPEATED LONDON 428, WASHINGTON SAV.34, TOKYO SAV.2.

FROM WALKER.

FRANCO-JAPANESE RELATIONS.

COMMENTING ON THE OFFICIAL COMMUNIQUE ISSUED AT CONCLUSION OF JAPANESE PRIME MINISTER'S VISIT (OUR 1471) MANAC'H SAID ON 15TH NOVEMBER JAPANESE HAD FORECAST BRITISH AND BENELUX RENUNCIATION OF GATT ARTICLE XXXV AND SOUGHT SAME FROM FRANCE. HOWEVER FRENCH DOMESTIC PRESSURES MADE IT DIFFICULT TO AGREE TO THIS IN SO MANY WORDS.

HENCE THE COMMUNIQUE REFERS INSTEAD TO "STARTING NEGOTIATIONS LOOKING TOWARDS A MUTUALLY SATISFACTORY SOLUTION (OF THE PROBLEMS POSED BETWEEN THE TWO COUNTRIES WITHIN THE FRAMEWORK OF GATT) INSPIRED BY THE PRINCIPLE OF NON DISCRIMINATION AND THE CONCLUSION OF A NEW MADE TREATY TO REFEREE THE 1911 TREATY" (AS WELL AS EXTENDING THE EXISTING PROVISIONAL TRADE AGREEMENT FOR A FURTHER SIX MONTHS).

MANAC'H SAID THIS FORMULATION WOULD COME TO MUCH THE SAME THING IN PRACTICE.

2. MANAC'H SAID THE ADMISSION OF JAPAN TO O.E.C.D. DID NOT DEPEND UPON FRANCE ALONE BUT THAT FOR HER PART FRANCE SUPPORTS THE ENTRY OF JAPAN.

3. THE POLITICAL DISCUSSIONS COVERED MAINLY CUBA, THE SINO-INDIAN CONFLICT AND JAPANESE-CHINESE RELATIONS.

4. THE JAPANESE HAD BEEN INFORMED BY THE UNITED STATES A FEW HOURS IN ADVANCE OF THEIR ACTION ON CUBA AND RECOGNISED ITS NECESSITY.

THE JAPANESE THOUGHT IT POSSIBLE THAT THE CUBA CRISIS HAD WEAKENED KRUSHCHEV'S POSITION AT HOME AND MIGHT CONTRIBUTE TO HIS ULTIMATE DISPLACEMENT.

5. THE JAPANESE CONSIDERED THE CHINESE MOTIVES IN INDIA VERY COMPLICATED.

A JAPANESE TRADE DELEGATION WHICH RETURNED TO TOKYO ON 4TH NOVEMBER HAD BEEN TOLD BY THE CHINESE VICE MINISTER FOR FOREIGN AFFAIRS THAT THE SOURCE OF THE TROUBLE WAS NEHRU'S OWN DOMESTIC DIFFICULTIES WHICH HAD LED HIM TO ATTACK CHINA AS A DIVERSION.

IKEDA OBSERVED THAT HE INTERPRETED THIS AS AN INVERTED EXPLANATION OF CHINA'S OWN MOTIVES IN ATTACKING INDIA THAT IS TO DISTRACT ATTENTION FROM CHINA'S ECONOMIC DIFFICULTIES OF THE PAST TWO YEARS.

6. THE JAPANESE FULLY RECOGNISE THAT THE UNITED STATES

2/.....

INWARD CABLEGRAM I.28876

JW

IS UNEASY OVER JAPAN'S INTEREST IN TRADING WITH CHINA, IKEDA SAID HOWEVER, THAT JAPAN'S MAIN PURPOSE IS NOT ECONOMIC BUT THAT OF HAVING OPPORTUNITIES THROUGH FREQUENT VISITS OF TRADE DELEGATIONS TO CHINA TO FORM A CLEARER PICTURE OF THE TRUE STATE OF AFFAIRS AND OF CURRENT DEVELOPMENTS IN CHINA.

AT THE SAME TIME ATTEMPT TO CULTIVATE TRADE (HE SAID THE CHINESE HAD LITTLE TO SELL) ENABLED THE GOVERNMENT TO SATISFY TWO JAPANESE PRESSURE GROUPS NAMELY INDUSTRIALISTS WHO RECALLED THAT CHINA USED TO BUY A QUARTER OF JAPAN'S EXPORTS AND THE LEFT WING SOCIALISTS.

7. DURING THE JAPANESE VISIT IT WAS AGREED TO DEVELOP CLOSER CULTURAL RELATIONS AND TO PROMOTE THE TEACHING OF FRENCH IN JAPAN.

MIN. & DEPT E.A.
MIN. & DEPT TRADE (C)
MIN. & DEPT P.I. (C)
MIN. & DEPT DEFENCE
TREASURER & TREASURY
P.M.'s

17TH NOVEMBER, 1962.

CONFIDENTIAL

CONFIDENTIAL

SEC A/Ss LA MR LOOMES UN ER PAC&AM EA AM&SP
S&SEA SA SEA EAF&ME E INF DL IC

Mr. Clark
19
68

FRANCE and JAPAN are reported to have agreed in principle to open talks as soon as possible for a long-term trade treaty.

Talks already have been going on for some time for the annual review of the existing trade pact between the two countries, which expired in September.

Correspondents say the JAPANESE Prime Minister, Mr. IKEDA, and the French Prime Minister, M. POMPIDOU, have agreed in PARIS that negotiations for the broader long-term agreement would start as soon as the present discussions are completed.

9.

....

3103/11/62

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper *Japan Times*

File No. *109*

Published at *Tokyo*

Date *24. 1. 62*

52
JANUARY 24, 1962

France Signs Equitable Trade Pact With Japan

Japan and France yesterday signed a one-year trade arrangement providing for extension by France of the most-favored-nation treatment to Japan in respect to tariffs.

The signing took place at the Foreign Office between Morisaburo Seki, director of the Economic Affairs Bureau, the Japanese Foreign Office, and Jean Pierre Herrenschildt, visiting chief of the bilateral agreement division of the French Foreign Ministry.

At the same time, annexed letters concerning mutual application of minimum tariffs, export items desired by Japan, African countries and Madagascar, payment clauses and exhibition sales at department stores were also signed.

The new arrangement will remain effective for one year, retroactive to last October.

According to the annexed documents, France will apply its minimum tariffs to Japan to goods to be imported from Japan for three years from Feb. 1.

The arrangement may be extended even after a lapse of the three-year period, unless either of the parties gives three months advance notice to the contrary.

During the January-October period, last year, Japan exported \$13 million worth of goods to France and \$21 million to the French Community.

Government sources said that exports to France and the French Community this year would amount to \$30 million to \$40 million or more, both ways, under the new arrangement.

France has been the only European country applying general tariffs, about three times the minimum tariffs, to Japanese goods.

Japan, for its part, will apply GATT and beneficiary tariff rates to France.

The 125 items to be liberalized by France include cameras (over \$90) in value, cultured pearls, telescopes, motorcycles (over 125 cc) and vitamin drugs.

Japan will also increase import allocation quotas for brandy and other French goods as well as apply the liberalization measure of last December, involving 172 items.

1) *EX*
2) *PL*
-6 *see*
3103/11/62.
cc

Name of Paper

The Japan Times

File No.

3103/11/62

Published at

Date

29. 12. 60

64th Year No. 22,244

Japan Will Protest to French Gov't On A-Testing

The Foreign Office yesterday decided to lodge a strong protest against Tuesday's French nuclear test in the Sahara Desert, and instructed Japanese Ambassador Tetsuro Furukaki in Paris to deliver a note of protest to the French Government.

Furukaki is expected to hand the note of protest to the French Government today.

Informants said the Foreign Office would express its regret over the fact that the French Government carried out the nuclear bomb test notwithstanding Japan's protests regarding that country's previous nuclear tests.

The Japanese Government had protested France's nuclear tests in the Sahara on Feb. 13 and April 2.

Japan protested against all nuclear tests carried out so far by the United States, the Soviet Union and Britain.

The Japan Council Against Atomic and Hydrogen Bombs (Gensuikyo) Tuesday made public a protest it had just filed with France against the test.

The continued French tests will "provide an excuse to the U.S., Britain or the Soviet Union to break their promise to suspend nuclear experiments" and step up their nuclear armament race, Gensuikyo declared.

U.S. Not Surprised

WASHINGTON (AP) — A spokesman at the U.S. State Department said Tuesday the French nuclear test explosion did not surprise the U.S. Administration.

Department Press Officer Lincoln White made it clear, however, at the same time that the U.S. is against what he called the proliferation of atomic capabilities.

Asked to comment on the French test in the Sahara, White read the following brief statement:

"The announcement of a third atomic test by the French Government was not unexpected. The explosion caused 'great emotion' in Morocco because Reggane, where the test took place, 'is an integral part of Morocco founded in the 16th Century.'"

The minister added that Morocco "is the nearest country to the explosion and will be the first to suffer from its effects." He continued:

"The French test is a provocation to Morocco and the whole of Africa, coming as it does on the eve of the 'African summit' conference scheduled to start Jan. 3 in Casablanca."

The minister said the conference, due to be attended by Gamal Abdel Nasser of the UAR, Kwame Nkrumah of Ghana, Modibo Keita of Mali, and Sekou Toure of Guinea, will examine the question of nuclear tests, disarmament and the Congo.

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper... *The Japan Times*

File No. *125*

Published at... *Tokyo*

Date... *24/12/61*

Retroactive to October 1

1-Year Accord to Up Trade With France

PARIS (AP)—France and Japan Friday initialed a new trade agreement which will open the French market to a much greater amount of Japanese goods.

The accord, which came after some six months of difficult and complicated negotiations, was initialed for France by Jean

Pierre Horvath, chief of the Commercial Accord Services in the Economics Ministry, and for Japan by Hideo Kitahara, minister consular of the Japanese Embassy in Paris.

The accord is retroactive to last Oct. 1 and extends for one year, until next Oct. 1. The definite signature is set for Tokyo early next month.

A French official said the accord will triple the prevailing quotas for Japanese goods in France, will open new quotas for Japanese products which have hitherto been barred from the French market, and on other products will remove quota restrictions altogether.

In addition, France will give Japanese products a most favored nations status in terms of tariff payments.

The favored nation ruling would not, however, give Japanese goods a status equal to those in France's partners in the Common Market. But this will be the only exception.

Among the Japanese goods which now will be able to enter the French market will be transistors, tape recorders and various precision items for which the Japanese are noted.

The French will also give Japanese textiles the benefit of last September's International Textile Agreement at Geneva.

In return, Japan is removing its quota restrictions from 172 French products. In addition, Japan is putting 90 per cent of its import trade on a nonquota basis by the end of 1962 and under Friday's agreement French products will be able to benefit from Japan removal of quota restrictions. Japan also gives France a most favored nation in terms of tariffs.

One French official said that at present Japanese shipments to France are valued at roughly \$7 million a year and under Friday's agreement this figure is expected to jump to \$21 million. French exports to Japan, mostly electrical equipment and machine tools, runs about \$30 million a year at present. This is expected to increase.

Up to now French-Japanese trade has been represented as a highly unfavorable balance from the Japanese point of view. The new accord is expected to bring it more into balance.

As the accord was initialed, Kitahara commented that the negotiations had been quite long—six months—and "I thought for a while this was really too long."

"But I think it is a very good thing for us both because it is impossible to change a trade relationship so drastically in a shorter time than six months. This is the beginning of an era of better trade between our countries and I compliment your President for this."

27) E/K
2) for 3103/11/62

14. 4. 60

F 3103/11/62

124

*Ambr Embassy
Tokyo*

no 385

French Nuclear Tests

3103/11/62

8. A formal protest was made by the Foreign Ministry on 4th April at the second French nuclear test, expressing regret at the test and calling on the French Government to suspend such testing in view of the United Nations resolution of 23rd November, 1959.

123
DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper.....

File No..... 3103/11/62

Published at.....

Date..... 13/60

3103/11/62
Mr Miki

11. Mr Takeo Miki of the Liberal Democratic Party, at present in France at the invitation of President de Gaulle, had an interview with the latter on 19th February, at which he reportedly discussed East-West summit talks, rearmament, nuclear weapons and aid to under-developed countries. At a subsequent press conference, Miki is reported to have said he found de Gaulle an idealist but yet a realistic politician. Of the subjects discussed he said only that de Gaulle had stressed to him that aid to under-developed countries should be extended from the viewpoint of world solidarity instead of the expansion of a country's influence. He himself had expressed to de Gaulle Japan's serious concern over French nuclear tests.

Relations with France

12. Andre Malraux, French Minister of State for Cultural Affairs, arrived in Tokyo on 21st February for a week's visit. Mr Malraux is to have interviews with the Prime and Foreign Ministers and Minister for Education, but the prime object of his visit is to attend the opening of a Franco-Japanese House in Tokyo.

Mr LYON
Kushida (trace)
Feb. (M. G. 100)

3103/4/62

122

- LLL 1 -
J A P A N

Feb. 15, 1960

GOVERNMENT PROTESTS FRENCH A-BOMB TEST

Tokyo, KYODO, in English, Feb. 15, 1960, Noon Edition--T

(Text) Tokyo, Feb. 15--The government has delivered a written protest to the French Government expressing its "deep regret" over the atomic test carried out by France in the Sahara Desert Saturday, the Foreign Office announced today. The protest was handed by Japanese Ambassador in Paris Tetsuro Furugaki to Eric de Cardonnel, secretary general of the Ministry of Foreign Affairs.

The letter reminded France that Japan made a representation last Sept. 3 expressing its deep concern over the French A-test plan and its intention to protest if and when the test was made. Moreover, it said, the U.N. General Assembly last Nov. 23 passed a resolution appealing to France to withhold its nuclear experiment. The resolution was supported by 51 nations, including Japan.

The protest said France went ahead with the A-test at a time when discussion to ban nuclear experiments were under way in Geneva, participated in by the United States, Britain, and the Soviet Union. These countries have voluntarily suspended their nuclear experiments, it said. It expressed fear that the French test would prove harmful to the mounting wishes of the people in the world for a total ban on atomic experiments. It strongly urged the French Government to restrict its utilization of atomic energy to peaceful purposes.

Reaction from Political Parties

Tokyo, KYODO, in English, Feb. 14, 1960, Sunday Edition--T

(Text) Tokyo, Feb. 14--France's first atomic bomb test in the Sahara yesterday brought strong protests from Japan's three major political parties, each renewing their determination to seek a total ban on nuclear experiments.

Shojiro Kawashima, secretary general of the Liberal Democratic Party, said that a nuclear tests prohibition is Japan's long-cherished desire. Japan will never abandon hope for realizing a total ban on nuclear testing despite the French blast, he said. The government party will watch closely for possible new developments of nuclear experiments, he added.

Mr LYON

Please see if this shouldn't be on our file 25/5/61 & that Mr Cook has seen it
25/5/61

Respin taken for E file 25/5/61
and U.N. Aug. 18.3.60

7

JAPAN
Feb. 15, 1960

The secretary general of the Socialist Party, Inejiro Asanuma, bitterly denounced the French Sahara test, saying it was carried out despite the strong opposition of the entire world. He feared that the French experiment might lead to the resumption of similar testing by other powers and intensify the armament race.

Eki Sone, secretary general of the Democratic Socialist Party, also regretted the French atomic test, claiming it was done against the sincerest wishes of mankind. The French should have taken the leadership in prohibiting nuclear weapons if it wanted to show its grandeur as a world power, he said. Sone feared the French test might lead to the enlarging of the nuclear club, hitherto participated in by three powers, and that it might make the nuclear arms ban impossible. He also declared that his party will try to block ratification of the new security pact between the United States and Japan and the nuclear armament of U.S. forces in Japan in an effort to realize the ban.

Council Against Atomic Bombs

Tokyo, KYODO, in English, Feb. 14, 1960, Sunday Edition--T

(Text) Tokyo, Feb. 14--The Japan Council Against Atomic and Hydrogen Bombs (Gensuikyo) issued a statement yesterday protesting Frances's A-bomb explosion in the Sahara desert. The council strongly criticized the French action for running counter to the U.N. joint resolution proposed by 82 nations including France herself, calling for the early realization of total disarmament. The council also referred to the U.N. resolution envisaging suspension of the French test. The group called the explosion violence resulting in the intensification of the nuclear armament race. It also means the current suspension of nuclear bomb tests is being drawn into "quicksand," they added.

Representatives of Gensuikyo are scheduled to submit the statement to the French Embassy in Tokyo tomorrow together with members of the Afro-Asian Solidarity Committee.

Press Reaction

(Editorial Report--T) Japanese newspapers react calmly but unsympathetically to the news of the successful explosion of a French atom bomb. The word "regret" is used in almost all editorials on the subject. Most note that the bomb was exploded contrary to the wishes of the whole world, hope that other countries will not follow France's lead, and see the test as contrary to the world trend toward peace.

JAPAN
Feb. 15, 1960

121

SANKAI SHIMBUN calls the test firing a "setback to world peace" and says that it will never lead to glory or greatness for France. The paper also notes that this explosion will take away from General De Gaulle whatever advantage he gained by his handling of the Algerian settlers' revolt.

ASAHI's editorial says that while the "unfortunate" explosion may have "paved the French road to glory, it has also placed serious obstacles on the road to peace," and fears that the French success may prove to be a stimulus to other countries to produce and test atom bombs. The paper jeers at the French claim that its new weapon will strengthen defense of Western Europe, saying that the French bomb is outmoded and worthless in the age of the hydrogen bomb.

MAINICHI blames the USSR, Great Britain, and the United States for setting France a bad example for the test.

TOKYO SHIMBUN fears this test may make France "an orphan of the free world." NIKON KEIZAI regrets the explosion and stresses its hope that other countries will not follow suit.

PRESS WEIGHS PROPOSAL FOR LIMITED BAN

(Editorial Report--T) Japanese newspapers react cautiously to the American proposal of a limited ban on atomic weapons tests. The consensus is that although excluding small underground explosions from the proposed treaty is to fall short of the ideal solution, it may be the best that can be hoped for at present and should be accepted.

ASAHI, noting that the negotiations are now at their most important crossroad, feels that it is undeniable that exemption of small underground blasts is a retreat from the present voluntary ban on all tests, and that it dims prospects of a broader nuclear agreement between East and West. The paper says that the partial ban, though unsatisfactory, is better than having the negotiations break down with no agreement at all. But it sees grave danger in any resumption of tests and asks the United States to reconsider its position seriously. The editorial concludes with a suggestion that the Soviet Union present a counterproposal and that the two sides continue to work toward narrowing the gap between their demands.

YOMIURI says that it is "inescapable" that the U.S. administration has been under pressure from some American circles to resume testing, and that it is not difficult to understand how vulnerable the government would be to such pressures.

JAPAN
Feb. 15, 1960

It continues: "It can be said that the new American proposal is at least an attempt to bypass a stubborn stalemate. If it is the only way to prevent a rupture of the Geneva talks, we believe the American proposal could be accepted with the proviso that a time limit be placed on the period during which research into detection methods will be carried on."

MAINICHI, seeing a pressing need for some kind of agreement to ban tests, calls the American plan "certainly practical and worthy of careful study and consideration," the efforts toward a total ban being continued. Noting that the USSR has demanded complete prohibition of atom tests, the paper feels that it should also "be willing to accept an overall control and inspection system."

JAPAN TIMES, taking its usual more pro-American stand, feels that agreement on the U.S. proposal would be "an obvious gain" because it would result in a stop to the release of dangerous radioactivity into the atmosphere and could lead to more extensive results. The editorial wonders why the Soviet delegate should call a limited ban a "step backward", and continues: "We fail to see why the Soviet Union should not be prepared to take preliminary steps toward a complete ban. The Russians have been paying lip service to a total ban, but, as they refuse to satisfy the Western powers on the subject of efficient inspection and control, this standpoint does not amount to much, and it is perhaps not surprising that their sincerity has been questioned."

NIHON KEIZAI uses the Soviet rejection of the U.S. proposal and Khrushchev's speech to the Indian Parliament to show that a thaw in East-West relations is neither here nor easy of attainment and that a pessimistic attitude about the future of other talks between the two camps is warranted. TOKYO SHIMBUN says that in spite of Soviet rejection, the American proposal is worthy of study.

- O -

SOHYO VISIT PLANS--The General Council of Japanese Labor Unions has drawn up a plan for the exchange of labor union good-will visits for 1960 between Japan and the Soviet Union and the Chinese People's Republic. Over 100 delegates from 15 Japanese labor unions will visit the USSR and China in 1960. Sohyo Secretary General Iwai will leave for the CPR at the end of March. Grishin, chairman of the All-Union Central Council of Trade Unions, will arrive in Japan this July to attend the Sohyo convention to be held in connection with Sohyo's 10th anniversary. In addition, it is expected that 39 Soviet trade union delegates will visit Japan in 1960. (Tokyo, Russian, to USSR, Feb. 14, 1960, 1150 GMT--W)

→ Mr Cook VN/DO
to return
18.3.60

→ Mr LYON
→ ~~Mr. Gould~~ (Doc)
JLA. (Mr. Gould)

REF 3103/11/62

- LLL 1 -

J A P A N

Feb. 15, 1960

GOVERNMENT PROTESTS FRENCH A-BOMB TEST

Tokyo, KYODO, in English, Feb. 15, 1960, Noon Edition--T

(Text) Tokyo, Feb. 15--The government has delivered a written protest to the French Government expressing its "deep regret" over the atomic test carried out by France in the Sahara Desert Saturday, the Foreign Office announced today. The protest was handed by Japanese Ambassador in Paris Tetsuro Furugaki to Eric de Cardonnel, secretary general of the Ministry of Foreign Affairs.

The letter reminded France that Japan made a representation last Sept. 3 expressing its deep concern over the French A-test plan and its intention to protest if and when the test was made. Moreover, it said, the U.N. General Assembly last Nov. 23 passed a resolution appealing to France to withhold its nuclear experiment. The resolution was supported by 51 nations, including Japan.

The protest said France went ahead with the A-test at a time when discussion to ban nuclear experiments were under way in Geneva, participated in by the United States, Britain, and the Soviet Union. These countries have voluntarily suspended their nuclear experiments, it said. It expressed fear that the French test would prove harmful to the mounting wishes of the people in the world for a total ban on atomic experiments. It strongly urged the French Government to restrict its utilization of atomic energy to peaceful purposes.

Reaction from Political Parties

Tokyo, KYODO, in English, Feb. 14, 1960, Sunday Edition--T

(Text) Tokyo, Feb. 14--France's first atomic bomb test in the Sahara yesterday brought strong protests from Japan's three major political parties, each renewing their determination to seek a total ban on nuclear experiments.

Shojiro Kawashima, secretary general of the Liberal Democratic Party, said that a nuclear tests prohibition is Japan's long cherished desire. Japan will never abandon hope for realizing a total ban on nuclear testing despite the French blast, he said. The government party will watch closely for possible new developments of nuclear experiments, he added.

Mr. Lyon
Please see if this shouldn't be on
our file 23/5/61 & that Mr Cook
has seen it
JLA/13

- III 2 -

JAPAN

Feb. 15, 1960

The secretary general of the Socialist Party, Inejiro Asanuma, bitterly denounced the French Sahara test, saying it was carried out despite the strong opposition of the entire world. He feared that the French experiment might lead to the resumption of similar testing by other powers and intensify the armament race.

Eki Sone, secretary general of the Democratic Socialist Party, also regretted the French atomic test, claiming it was done against the sincerest wishes of mankind. The French should have taken the leadership in prohibiting nuclear weapons if it wanted to show its grandeur as a world power, he said. Sone feared the French test might lead to the enlarging of the nuclear club, hitherto participated in by three powers, and that it might make the nuclear arms ban impossible. He also declared that his party will try to block ratification of the new security pact between the United States and Japan and the nuclear armament of U.S. forces in Japan in an effort to realize the ban.

Council Against Atomic Bombs

Tokyo, KYODO, in English, Feb. 14, 1960, Sunday Edition--T

(Text) Tokyo, Feb. 14--The Japan Council Against Atomic and Hydrogen Bombs (Gensuikyo) issued a statement yesterday protesting France's A-bomb explosion in the Sahara desert. The council strongly criticized the French action for running counter to the U.N. joint resolution proposed by 82 nations including France herself, calling for the early realization of total disarmament. The council also referred to the U.N. resolution envisaging suspension of the French test. The group called the explosion violence resulting in the intensification of the nuclear armament race. It also means the current suspension of nuclear bomb tests is being drawn into "quicksand," they added.

Representatives of Gensuikyo are scheduled to submit the statement to the French Embassy in Tokyo tomorrow together with members of the Afro-Asian Solidarity Committee.

Press Reaction

(Editorial Report--T) Japanese newspapers react calmly but unsympathetically to the news of the successful explosion of a French atom bomb. The word "regret" is used in almost all editorials on the subject. Most note that the bomb was exploded contrary to the wishes of the whole world, hope that other countries will not follow France's lead, and see the test as contrary to the world trend toward peace.

- LIL 3 -

JAPAN
Feb. 15, 1960

SANKAI SHIMBUN calls the test firing a "setback to world peace" and says that it will never lead to glory or greatness for France. The paper also notes that this explosion will take away from General De Gaulle whatever advantage he gained by his handling of the Algerian settlers' revolt.

ASAHI's editorial says that while the "unfortunate" explosion may have "paved the French road to glory, it has also placed serious obstacles on the road to peace," and fears that the French success may prove to be a stimulus to other countries to produce and test atom bombs. The paper jeers at the French claim that its new weapon will strengthen defense of Western Europe, saying that the French bomb is outmoded and worthless in the age of the hydrogen bomb.

MAINICHI blames the USSR, Great Britain, and the United States for setting France a bad example for the test.

TOKYO SHIMBUN fears this test may make France "an orphan of the free world." NIKON KEIZAI regrets the explosion and stresses its hope that other countries will not follow suit.

PRESS WEIGHS PROPOSAL FOR LIMITED BAN

(Editorial Report--") Japanese newspapers react cautiously to the American proposal of a limited ban on atomic weapons tests. The consensus is that although excluding small underground explosions from the proposed treaty is to fall short of the ideal solution, it may be the best that can be hoped for at present and should be accepted.

ASAHI, noting that the negotiations are now at their most important crossroad, feels that it is undeniable that exemption of small underground blasts is a retreat from the present voluntary ban on all tests, and that it dims prospects of a broader nuclear agreement between East and West. The paper says that the partial ban, though unsatisfactory, is better than having the negotiations break down with no agreement at all. But it sees grave danger in any resumption of tests and asks the United States to reconsider its position seriously. The editorial concludes with a suggestion that the Soviet Union present a counterproposal and that the two sides continue to work toward narrowing the gap between their demands.

YOMIURI says that it is "inescapable" that the U.S. administration has been under pressure from some American circles to resume testing, and that it is not difficult to understand how vulnerable the government would be to such pressures.

- LIL 4 -

JAPAN
Feb. 15, 1960

It continues: "It can be said that the new American proposal is at least an attempt to bypass a stubborn stalemate. If it is the only way to prevent a rupture of the Geneva talks, we believe the American proposal could be accepted with the proviso that a time limit be placed on the period during which research into detection methods will be carried on."

MAINICHI, seeing a pressing need for some kind of agreement to ban tests, calls the American plan "certainly practical and worthy of careful study and consideration," the efforts toward a total ban being continued. Noting that the USSR has demanded complete prohibition of atom tests, the paper feels that it should also "be willing to accept an overall control and inspection system."

JAPAN TIMES, taking its usual more pro-American stand, feels that agreement on the U.S. proposal would be "an obvious gain" because it would result in a stop to the release of dangerous radioactivity into the atmosphere and could lead to more extensive results. The editorial wonders why the Soviet delegate should call a limited ban a "step backward", and continues: "We fail to see why the Soviet Union should not be prepared to take preliminary steps toward a complete ban. The Russians have been paying lip service to a total ban, but, as they refuse to satisfy the Western powers on the subject of efficient inspection and control, this standpoint does not amount to much, and it is perhaps not surprising that their sincerity has been questioned."

NIHON KEIZAI uses the Soviet rejection of the U.S. proposal and Khrushchey's speech to the Indian Parliament to show that a thaw in East-West relations is neither here nor easy of attainment and that a pessimistic attitude about the future of other talks between the two camps is warranted. TOKYO SHIMBUN says that in spite of Soviet rejection, the American proposal is worthy of study.

- 0 -

SOHYO VISIT PLANS--The General Council of Japanese Labor Unions has drawn up a plan for the exchange of labor union good-will visits for 1960 between Japan and the Soviet Union and the Chinese People's Republic. Over 100 delegates from 15 Japanese labor unions will visit the USSR and China in 1960. Sohyo Secretary General Iwai will leave for the CPE at the end of March. Grishin, chairman of the All-Union Central Council of Trade Unions, will arrive in Japan this July to attend the Sohyo convention to be held in connection with Sohyo's 10th anniversary. In addition, it is expected that 32 Soviet trade union delegates will visit Japan in 1960. (Tokyo, Russian, to USSR, Feb. 14, 1960, 1150 (RM)-W)

INWARD SAVINGGRAM ~~CONFIDENTIAL~~

BAC:

I. 14081

Dated: 31st July, 1959

FROM:

Rec'd: 12th August, 1959

Australian Embassy,
PARIS.SAV. 61 CONFIDENTIAL.Repeated, London 92, The Hague 32, Bonn 40, Rome 28, Geneva 17,
Dublin 1.FRANCE - POLITICAL SUMMARY FOR JULY.GENERAL

1. Reflecting the advent of summer, the political tempo in July was lower than in preceding months. The highlights of the month were the session of the Executive Council of the Community in Madagascar, the announcement of the decision to withdraw the United States fighter-bombers from France, the State visits of the Prime Minister of Japan and the Emperor of Ethiopia, Ghana's protest about the coming French nuclear tests in the Sahara and subsequent recognition of the F.L.N. Provisional "Government" and the launching of a major offensive by the Army in Algeria.

THE COMMUNITY.

2. The significance of this session of the Executive Council lay in the fact that it was the first held outside of metropolitan France rather than in the decisions taken. France gave an impressive demonstration of how the mountain was prepared to come to Mahomet, the Government virtually moving to Madagascar for the session. The one decision of note was the endorsement by the Community of France's efforts to become an atomic power. The ground was prepared, moreover, for a show-down at the next meeting of the Council (10th October) over the question whether or not the Community should continue as it is or evolve towards a confederation of independent states.

3. Going to and from Madagascar, General de Gaulle visited various French territories, notably the Comores, Reunion and French Somaliland. He was well received everywhere, except in Djibouti where the native population's welcome was reserved. This reflects, no doubt, the double influence of Nasser's propaganda and the Trust Territory of Somaliland's policy of unification of the Somalis. De Gaulle was undeterred, declaring that France intended to remain in French Somaliland.

THE UNITED STATES FIGHTER-BOMBER ISSUE AND N.A.T.O.

4. Because of the press "leaks" of June, Norstad's decision to withdraw the fighter-bombers came as an anti-climax. It evoked no comment from the French Government and the press could find little new to say about it.

CONFIDENTIAL

INWARD SAVINGRAM ~~CONFIDENTIAL~~ 115

-2-

I. 14081

5. Speaking to a French Parliamentary Committee on 9th July, the Secretary-General of N.A.T.O. sought to take a constructive view of France's differences with N.A.T.O. He criticized France's non-co-operation in such matters as the integrated air defence and France's plan for a three-power political directorate. However, he pleased his French listeners by agreeing with the need for a global strategy and for more sharing by the United States of her military secrets and by holding out that if France were to seek N.A.T.O.'s support of her Algerian policy, the result might not be unfavourable to her.

VISIT OF MR. KISHI.

6. Kishi had no particular subject to raise; hence, in his talks with de Gaulle and Debre there was a tour d'horizon of the international scene. Of main interest was Kishi's emphasis that Japan would not recognize Communist China and would regard the latter's acquisition of Formosa as a grave threat to Japanese security.

THE VISIT OF HAILE SELASSIE

7. The Emperor's visit on 21st and 22nd July was greeted with warmth by the press, which assumed that the coming independence of the former Italian Somaliland with its policy of union of the Somalis was the main preoccupation of Haile Selassie during his tour of world capitals. As far as can be ascertained, de Gaulle and Haile Selassie recorded their mutual dislike of the Greater Somaliland project. The talks were concerned, however, more with Ethiopia's access through French Somaliland to the Mediterranean and France is understood to have made some concessions over this. The visit was the occasion for some anti-British comment, the United Kingdom being described as one of the two champions of Greater Somaliland (the other, Egypt).

FRANCO-GHANA RELATIONS.

8. Ghana's protest about the projected French atomic tests in the Sahara was rejected with unusual promptitude by France. What rankled with the French more than anything was Ghana's usurpation of the right to speak for the African peoples. Whether consequent or not, Ghana's subsequent recognition (de facto) of the F.L.N. Provisional "Government", together with anti-French statements in Accra, caused an abrupt deterioration in relations. France decided not to send her Ambassador back to Accra for the present (he had been on leave) but hesitated about taking the threatened step of a breach of relations with any country recognizing the F.L.N. "Government".

ALGERIA.

9. On the night of 13th July the rebels gave what seems to have been a demonstration of strength and fire-power. 800 men attacked a French post, Ain-Zana, three kilometres from the Tunisian borders with heavy mortars, bazookas, phosphorus rockets and heavy, recoilless artillery. The attack was not pressed.

CONFIDENTIAL

F-3103/11/62

114

DEPARTMENT OF EXTERNAL AFFAIRS
CONFIDENTIAL
INWARD SAVINGRAM

FPG:BMW

I.13684

Sent: 30th July, 1959.

Rec'd: 5th August, 1959.

FROM:

Australian Embassy,
PARIS.

SAVING. 60.

CONFIDENTIAL.

Addressed Canberra Savingram 60, Repeated Tokyo 1,
London 91, Washington 73, New York 23.

Kishi's Visit to Paris.

We talked with Millet, M.F.A. on 29th July. The
following emerged.

2. The French thought the visit had gone off very well
and that Kishi had departed well pleased with his receipt,
including the fact that de Gaulle had received him for ninety
minutes. The French did not quite know how high to rate
Kishi as he had been rather formal. Kishi had said he had
no particular subject to raise. Hence there had been a
"tour d'horizon" of the international scene in both the talks
with de Gaulle and Debre.

3. Kishi's most notable contributions had been

(a) He had raised the subject of relations with Communist
China saying that Japan had no intention of recognising China.
However Japan had many long standing connections with China and
these could not be entirely severed. Japan would regard the
loss of Formosa to Communist China as a grave threat to her
security.

(b) Influenced by the Tibet affair Nehru was inclining
more towards the West. A lot of India's economic planning
was unrealistic and India's economic problem was immense.

(c) Communism was not gaining ground in Indonesia.
Soekarno was playing a very subtle game with the Communists
and was well in control of the situation.

4. The French had raised the following subjects:

(a) Algeria: de Gaulle had spoken about this at
length but did not get much change out of Kishi.

(b) Aid to Under-Developed Countries: Kishi had agreed
with de Gaulle's proposal for a major East-West aid effort.
de Gaulle had emphasized how much French aid was being given
to Algeria and to the community and how much more would be
given.

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS
INWARD SAVINGRAM **CONFIDENTIAL** 113

- 2 -

I.13684

(c) Geneva Conference: Debre had emphasized the need for Western firmness. Kishi had agreed adding Western unity was essential.

(d) Sahara: de Gaulle had asked Kishi whether Japan would like to be associated with the exploitation of the oil resources of the Sahara. Kishi had responded with alacrity and the Japanese Embassy was now pressing for further information as to what de Gaulle had in mind.

5. Asked about the internal Japanese scene, Kishi had concentrated his remarks on the need to revise the Constitution. He said this had been imposed upon Japan by the United States and under it the Emperor was unduly restrained by Parliament. He thought the Constitution would shortly be revised "only a couple more votes were needed".

6. We took the opportunity during the call to ask Millet whether France would this year participate in the Algerian debate at the General Assembly. Millet said "definitely not" but the French were very active diplomatically and would be very active in the corridors at the Assembly.

Walker.

MIN. & DEPT. E.A.
MIN. & DEPT. DEFENCE
SIR JOHN CRAWFORD
DR. H.G. RAGGATT

6th August, 1959.

SEC A/Ss MR.EASTMAN UN TA ER CR PAC&AM EA
AM&SP S&SEA SA SEA EAF&ME E INF DL MT
INTELL
G
DJAKARTA THE HAGUE HONG KONG OTTAWA PARIS

CONFIDENTIAL

112

① ~~ER~~ — Have you
seen this?
Yes Mr
14-8

↓
② ~~East~~ Asia

file 3103/11/62



CONFIDENTIAL

14/6/59
AUSTRALIAN EMBASSY
13, RUE LAS CASES
PARIS (7^e)

225/277
Memorandum 709.

3rd August, 1959.

The Secretary,
Department of External Affairs,
Canberra - A.C.T.

MR. KISHI'S VISIT TO PARIS

1. Reference is made to the Embassy's Savingsgram Number 60 of 30th July, 1959.
2. I have now recalled one further piece of information which M. Millet gave me when I called upon him. It is that Mr. Kishi asked General de Gaulle whether France could not stop applying Article XXXV of the G.A.T.T. to Japan. The General replied that he would have the question examined.
3. A copy of this memorandum is being sent to Tokyo and London.

ALAN RENOUF,
Counsellor.

CONFIDENTIAL



DEPARTMENT OF
EXTERNAL AFFAIRS

3 AUG 1959

3103/11/62
CANBERRA

CONFIDENTIAL

AUSTRALIAN EMBASSY,
TOKYO.

File No. 6/8/2

Memo. No. 743

27th July, 1959

The Secretary,
Department of External Affairs,
CANBERRA A.C.T.

TRANSFER TO SAIGON OF COUNSELLOR OF FRENCH
EMBASSY, M. RENE FOURIER-RUELLE

I understand that the senior Counsellor of the French Embassy, M. Rene Fourier-Ruelle, is shortly leaving Tokyo, having been transferred to Saigon. The following comments may be of some slight use to our Embassy at Saigon, to which a copy of this memorandum is being forwarded.

2. During our time in Tokyo my wife and I have seen something of M. and Mme. Fourier-Ruelle, although we do not know them very well or regard them as friends. Mme. Fourier-Ruelle is, I believe, Russian by birth or origin (presumably White Russian). Though a pleasant enough person, I suspect that she has "ideas" about the diplomatic life which are somewhat "highfalutin". She does not seem to me a very stable person and I am somewhat doubtful about her reactions to the difficulties which she will probably experience in Saigon.

3. The Counsellor himself is a tougher kind of person who is somewhat cynical in his outlook, although this may be a pose. I think he is intelligent enough. He speaks good English and his wife speaks enough English to get along. The comments of M. Fourier-Ruelle on the Russians have been somewhat scathing, and it may be that he carries over from the experiences of his wife or her parents a certain amount of personal bitterness.

4. It is rather curious that the senior Counsellor should be transferred from Tokyo such a short time after the departure of the recent French Ambassador, M. Berard, and the arrival of his successor, M. Daridan. There are rumours in the Diplomatic Corps that M. Berard was critical of his Counsellor and recommended that he should not be allowed to remain Charge d'Affaires for more than "a few days". In fact M. Daridan arrived within a week of M. Berard's departure. I have no opinion on whether the alleged attitude of M. Berard to his Counsellor was justified. I noted, on the other hand, that at the farewell party recently given by the Fourier-Ruelles there was a substantial attendance by Tokyo Heads of Missions, in spite of the fact that the Diplomatic Corps was allergic to invitations to parties because we are in the middle of summer and because the burden of the large number of National Days which occur in July, was this year increased by a number of additional farewell parties.

5. I took the opportunity of speaking to M. Fourier-Ruelle about our Mission in Saigon; mentioned that it had recently been elevated to Embassy level; and spoke of the

CONFIDENTIAL

2/.

Copy to
SEA/Enrop.
5.5

↓
Mr. Jockel

CONFIDENTIAL

2.

impending departure for Saigon of our new Ambassador, Mr Forsyth, and the presence there of Miss Nelson. I suggest that there might be some value in our Embassy in Saigon following up our small link with the Fourier-Ruelles in Tokyo by showing some interest in their arrival, although I am unable to predict just how useful contacts in Saigon with the Fourier-Ruelles may prove to be.

Her Watt
Ambassador.

CONFIDENTIAL

File No. 648/2

Memo No. 373



CONFIDENTIAL

108

DEPARTMENT OF
EXTERNAL AFFAIRS

20 APR 1959

3103/11/62

CANBERRA

AUSTRALIAN EMBASSY,
TOKYO.

16th April, 1959.

The Secretary,
Department of External Affairs,
CANBERRA A.C.T.

TRANSFER OF FRENCH AMBASSADOR
TO NEW YORK

The wife of the French Ambassador, Monsieur Armand Berard, informed me a few days ago that her husband was being transferred from Tokyo to New York, where he will function as Head of the French Mission to the United Nations. I have not yet had the opportunity of discussing the matter with the Ambassador but I have no doubt that the information is correct. The date when he will take up his new functions is not yet quite certain, but he is likely to leave Tokyo towards the end of April and to arrive in New York towards the end of May. Press reports have suggested he will be succeeded in Tokyo by Monsieur Daridan.

2. Monsieur Berard presented his Letters of Credence in Tokyo on 28th March, 1956 - a short time before my own arrival. During the past three years my wife and I have had close and friendly relations with the Ambassador and Madame Berard. I regard him as one of the ablest of the various Heads of Missions in Tokyo and I am sorry he will be leaving this post.

3. The Ambassador is tall and has a shock of white hair which makes him look older than he probably is. He has a distinguished appearance. He is a linguist of parts and can function effectively not only in his own language but also in English, German and Spanish - possibly in Italian also. I have heard him make very effective public speeches in English without notes. He marshalls his facts and his arguments well. Madame Berard is also tall and very different from the average conception of a French woman. She is highly intelligent and has played her full part as a member of the French Embassy team.

4. Monsieur Berard has in the past filled the second position in two very important French Embassies, namely Washington and West Germany. He has not been particularly happy in his Tokyo post, partly because French interests in Japan are less important than in many other places; partly because French policy is usually unpopular in Asian countries; and partly because he came to the conclusion that it was a waste of time for him to visit the Japanese Foreign Office for the purpose of discussing policy. He has told me on several occasions that he regards his most important function in Japan as the close following of the Japanese language press with the aid of his "collaborators".

5. Although he has for some months past been ready if not anxious to leave Japan, I doubt whether he particularly wishes to go to New York. He is too intelligent not to realize that the expounding of French policy in United Nations circles will not be an easy or a popular task. In addition,

CONFIDENTIAL

12...

CONFIDENTIAL

2.

I would guess that he prefers the less public kinds of diplomacy. Nevertheless, I would expect him to carry out his functions in New York ably and to defend his country's policies with vigour.

6. A copy of this memorandum is being forwarded to the Australian Mission to the United Nations, New York, for information.

Alan Watt

Ambassador.

CONFIDENTIAL

7 3003/14/62
DEPARTMENT OF EXTERNAL AFFAIRS.

INWARD CABLEGRAM RESTRICTED 106

ENM:SDP

I:19622

Dated: 8th November, 1958.
0940

FROM:

Rec'd: 11th November, 1958.
0830

Australian Embassy,
PARIS.

491. RESTRICTED.

De Gaulle has announced decision to send Andre Malraux on tour of Asian countries lasting several weeks in order to sharpen French influence in those areas. Countries include Iran, India and Japan. As Minister without portfolio attached to the Prime Minister's Department he is one of de Gaulle's right hands and a close friend.

Would you consider inviting him to visit Australia?

Malraux is probably the outstanding literary personality of France today and has considerable influence with the younger generations of the French.

We have not had any comparable French visitor since Andre Siegfried in 1918 and a visit would be valuable culturally apart from any other reason.

He is leaving Paris almost immediately.

Stirling.

MIN. & DEPT. E.A.
P.M.'s. DEPT.
P.M.'s.

11th November, 1958.

SEC	A/Ss	LA	UN	ER	PAC&AM	S&SEA	SA	SEA
E.AF&ME	E	INF	DL	C&P	MR.EASTMAN			

G

Mr. *Channing* *Due*
Copy to Tokyo per *H.*

RESTRICTED

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS.

INWARD CABLEGRAM

1. 549

NG:EGM:

Dated: 10th January, 1958

1235

FROM:

Rec'd: 11th January, 1958

0900

Australian Embassy,
PARIS.13. CONFIDENTIAL.

1. I saw Pineau briefly yesterday evening 8th January. Speaking of the N.A.T.O. meeting earlier in the day, he said he was strongly opposed to the Polish plan.

2. He said he would certainly go to Manila in March for the S.E.A.T.O. meeting. He had accepted invitations from many Governments along the route including Turkey, Pakistan, India, Thailand, Laos, Cambodia and Vietnam and, after the Conference, Japan.

3. In view of this very crowded programme it is unlikely he would add a visit to Australia. An invitation to do so however, would greatly please him. He was very disappointed when obliged to cancel his attendance at the meeting in Canberra last year. In the post-Tunisian atmosphere I believe it would have a good effect on relations with France generally.

4. He told me that he had been the First Minister for Foreign Affairs in office to visit South America and his recent visit had been very rewarding to him over Algeria.

Stirling.

MIN. & DEPT: E.A.
MIN. & DEPT: DEFENCE
P.M.'s DEPT:
P.M.'s

11th January, 1958.

✓ Tokyo

SEC A/ss LA UN ER PAC&AM AM&SP SA&SEA SEA
EAF&ME E INF DL MT C&P
G

BANGKOK

F - 3103/11/62

CONFIDENTIAL

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper... *Sidwell's Report*

File No. *3103/11/62*

Published at... *Nov 5/57*

Date. *21st November 1957*

Relations with France.

11. The Foreign Office told the press on 16th November that a Franco-Japanese trade agreement, effective for one year, was signed in Paris on the previous day. The agreement reportedly provides that each party shall extend "as favourable treatment as possible" to the other's exports. Under this arrangement France is to put 29 Japanese export items, including raw silk, tea and silk fabrics on a free basis, and to extend minimum tariff treatment to 64 items (in lieu of 23 under the previous agreement), while Japan is to grant French goods treatment similar to that for imports from the sterling area.

12. A Kyodo correspondent in Paris reported that the French Government regarded the present agreement as "purely experimental", and was opposed to automatic extension of the present arrangement next year in case Japanese goods start flooding French territories in Africa and Oceania.

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper... Liquidation Report 4/57 File No. 480/82

Published at... Melbourne 1/57 Date 15th Nov 1957

Relations with France.

14. Professor Rene Capitant, a former French Minister of Education and currently Professor of Law at the University of Paris, arrived in Tokyo on 11th November to take up a two-year appointment as Principal of the Maison Franco-Japanaise in Tokyo.

Memo. No. 239
In reply quote No. File 221/5/5



DEPARTMENT OF
EXTERNAL AFFAIRS

9 APR 1957

CANBERRA

AUSTRALIAN LEGATION,
SAIGON.

2nd April, 1957

The Secretary,
Department of External Affairs,
CANBERRA.

Japanese-French Relations

..... I attach for your information an item from
Viet Nam Presse about agreement by Japan to reimburse
France for its special wartime yen issue in Indochina.

(G.J. Price)
Third Secretary

Mr. Latham *ack* 9/4/57.

Sen 9 - 9/4

Mr. Penfold
R

CR

Attachment to Memorandum No.239JAPAN OKAYS REIMBURSING FRANCE FOR INDOCHINA WARTIME
"SPECIAL YEN" ISSUANCE

Tokyo - (Kyodo) March 27

Japan this week agreed to reimburse France for "special yen" issued in Indo-China during World War II. The issue had been the subject of formal negotiations between the two countries since February, last year. The French claim stemmed from Japan's conclusion of agreements with France in May, 1941 and January 1953 for procurement of goods for Japanese armed forces then stationed in Indo-China.

At the time of Japan's surrender, Japan's liability, as registered by the defunct Yokohama Specie Bank, amounted to \$480,000 (¥172,800,000) in its dollar account and some ¥1,300 million in its special yen account. Japan at first offered to pay ¥90 million on its contention that the debt accrued as of December 8, 1941 when the war broke out. France, however, demanded a special yen reimbursement figure of ¥13,000 million from the stand that the agreements had not become invalid as the result of the war and in considering the change in exchange value after the war.

After mutual concessions, a settlement was reached under which Japan undertook to pay a total of roughly ¥1,670 million to France. This included ¥1,500 million to be paid in pounds sterling for the special yen indebtedness and ¥172,800,000 to be paid in dollars for the dollar account liability.

Formal signing of the agreement was slated for March 27.

HAD/MT



File No. 6/8/2

Memo. No. 288

28th March, 1957

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

AUSTRALIAN EMBASSY,
TOKYO.

SPECIAL YEN AGREEMENT BETWEEN FRANCE AND JAPAN

1. Further to paragraph 22 of our Situation Report, No. 11/1957 (Memorandum 262 of 21st March), I attach copies of the press release concerning the agreement on the Bank of Indo-China's special Yen account with the Yokohama Specie Bank.

....

T. W. Echusley

HEAD OF CHANCERY

seen by [unclear]
supplied to [unclear] [unclear]

→ East Asia Sec 7
[initials]

PRESS RELEASE

Public Information and Cultural Affairs Bureau
Ministry of Foreign Affairs
Tokyo

Vol. IV. No. 30

March 27, 1957.

Agreement reached on the settlement of accounts
for Bank of Indochina in Yokohama Specie Bank

1. The Franco-Japanese talk for settlement of the accounts opened for the Bank of Indochina in the Yokohama Specie Bank, which has been conducted since February 1956, reached an agreement recently, and consequently a protocol for the final settlement of this issue was signed today, March 27, by Mr. Nobusuke Kishi, Foreign Minister of Japan, and Mr. Armand Bérard, French Ambassador in Tokyo.
 2. According to this protocol, the Japanese Government is to pay the French Government the sterling-pound equivalent of 1,500,000,000 yen as well as U.S. currency amounting approximately to 480,000 dollars by March 31, 1957.
 3. Thus, this problem, which has remained a pending issue for some time between Japan and France, came to its amicable solution by the sincerity and mutual understanding of the two Governments concerned. This event will serve as a testimony for the firm and traditional friendly relations that exist between France and Japan, and will also be a major contribution for strengthening still further of the friendship between the two countries.
-

98
(PROJET)

PROTOCOLE entre le Gouvernement du Japon et le
Gouvernement de la République française relatif
au règlement de la question concernant les comptes
ouverts chez la YOKOHAMA SPECIE BANK au nom de
la BANQUE DE L'INDOCHINE

Le Gouvernement du Japon et le Gouvernement de la
République française,

Désireux de régler d'une façon définitive la question
pendante entre eux concernant les comptes ouverts chez la
YOKOHAMA SPECIE BANK au nom de la BANQUE DE L'INDOCHINE,

Sont convenus de ce qui suit:

1. (a) Le Gouvernement du Japon versera au Gouver-
nement de la République française, avant
le 31 mars 1957, la contre-valeur, en Livres
sterling d'un milliard cinq cent millions
de Yens et la somme de quatre cent soixante
dix neuf mille six cent cinquante et un
dollars des Etats-Unis.
- (b) Les montants en Livres sterling à verser con-
formément au sous-paragraphe (a) ci-dessus,
seront

92
- 2 -

seront déterminés par le cours de vente de la Livre sterling T.T. pratiqué à la date du paiement par les banques, intermédiaires agréés au Japon.

2. Une fois effectués les paiements visés au paragraphe précédent, le Gouvernement de la République française s'engage à ne plus élever de réclamation envers le Gouvernement du Japon au sujet des comptes ouverts chez la YOKOHAMA SPECIE BANK au nom de la BANQUE DE L'INDOCHINE.

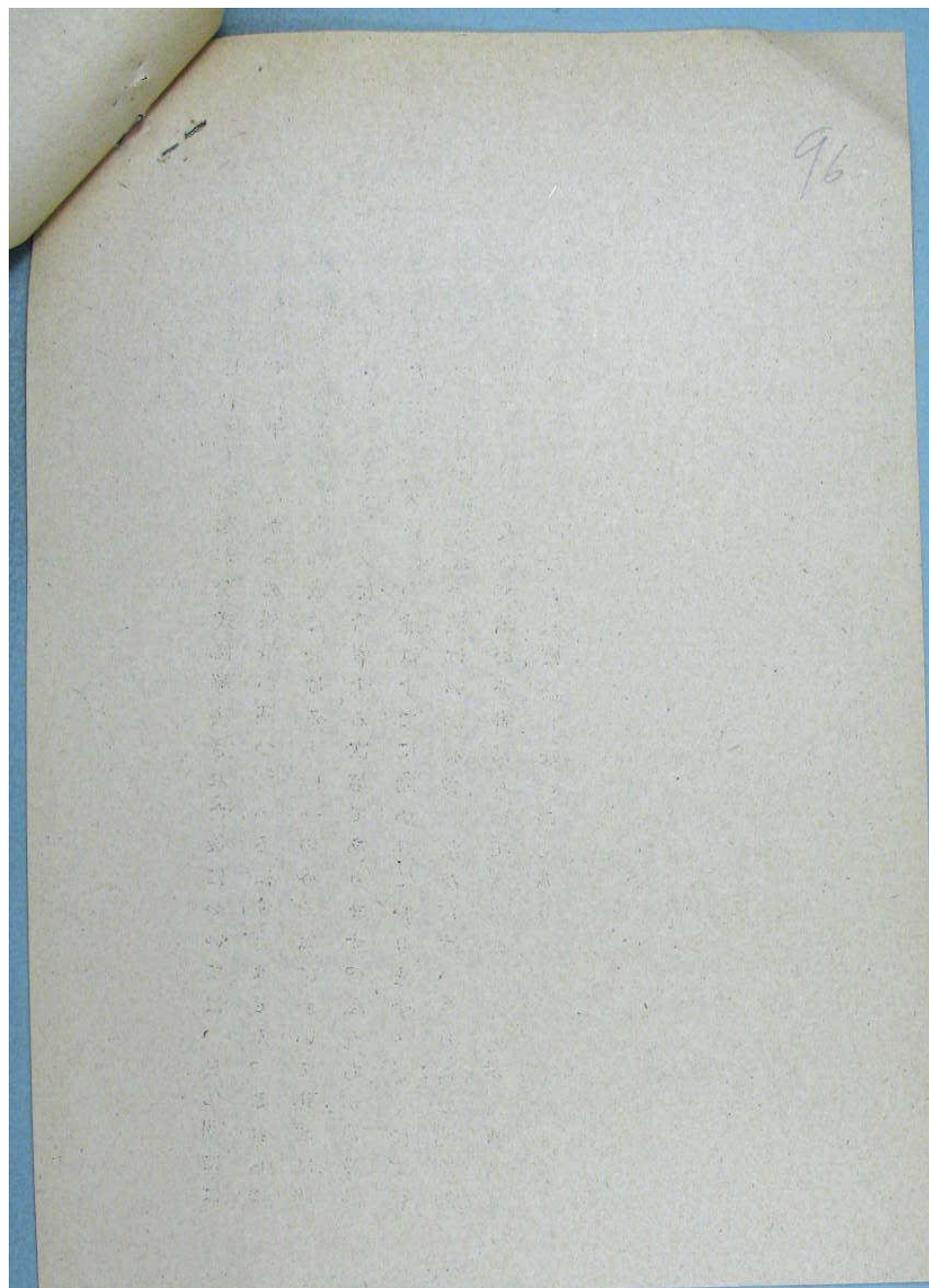
3. Le présent Protocole entrera en vigueur à la date de sa signature.

En foi de quoi les Représentants des deux Pays, dûment autorisés par leurs Gouvernements respectifs, ont signé le présent Protocole.

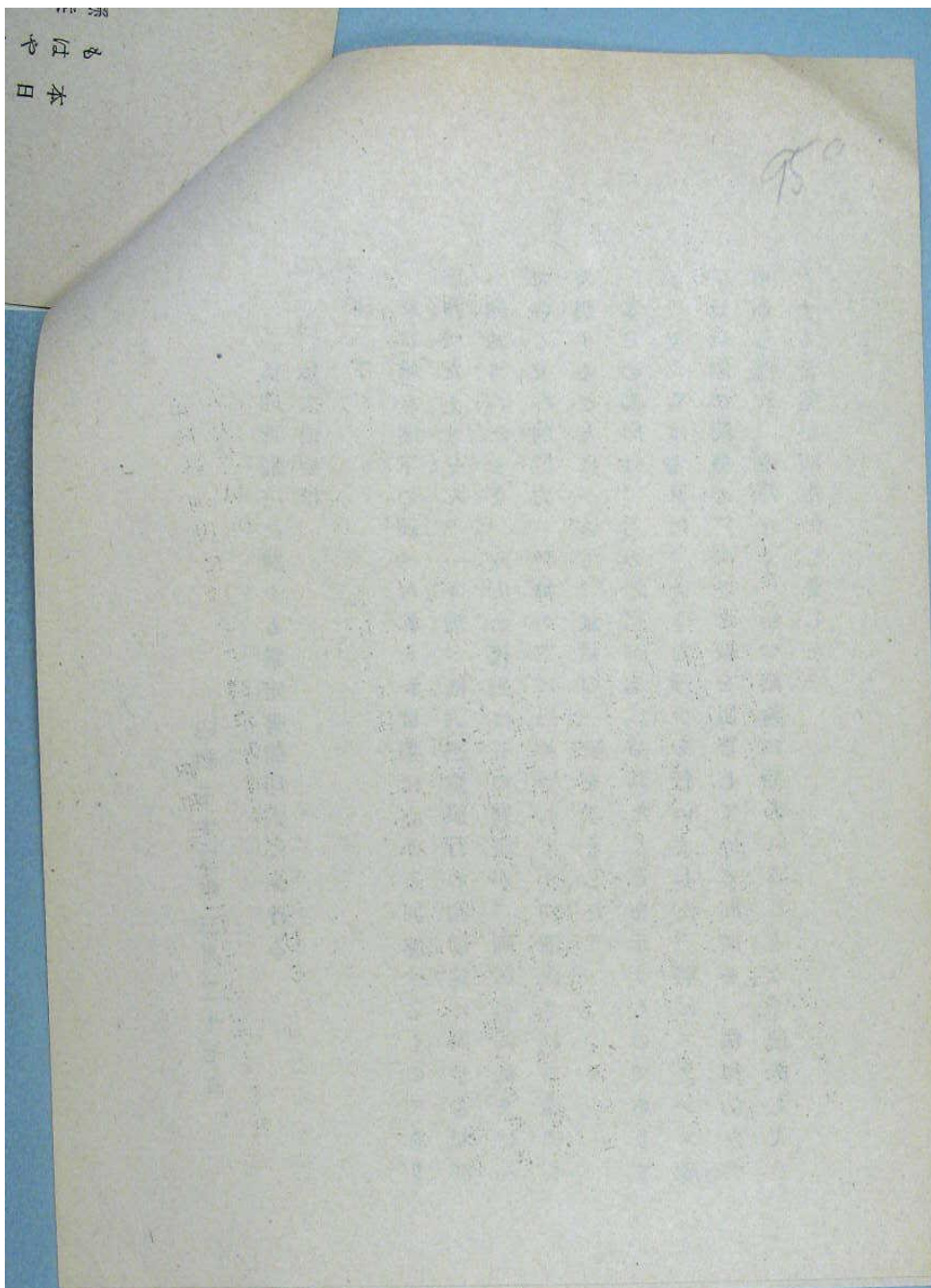
Fait à Tokio, en deux exemplaires, en langue japonaise et française, les deux textes faisant également foi, le mars 1957.

Pour le Gouvernement
du Japon:

Pour le Gouvernement de
la République française:



本日、この問題が公式に解決された後においては、日仏間にはもはやわずかながらの係争が残っているにすぎません。これらの懸案も、本議定書作成におけると同一の雰囲気において迅速に解決されることを、共に希望する次第であります。私たちが建設的な協力を行うために、途はすでに開かれております。とくに文化の面で、日仏両国民の連けいがなされたならば、これらの建設的な協力は、政治及び経済の分野においてもみることのできるものであり、かつみのらねばならないのであります。



昭和三十三年三月二十七日

仏印特別円に関する議定書調印式における
仏大使挨拶

閣下

私は唯今閣下の述べられたお言葉に心から同感するものであり感謝にたえません。一年前、横浜正金銀行の諸勘定に関する交渉が開始されたとき、双方の代表はこの問題が、両国の関係を結んでいる友好的協力の精神の下に処理され、かつ解決される希望を表明することについて、意見の一致をみました。

本日の調印は、右の希望が達成されたことを示すものであります。私たちは相互に、大きな譲歩を行いました。特にフランス政府は両国の関係の円満な進展を阻害している問題を、法律的な論争から離れ、遅滞なく、かつ議論に捕われることなく解決しようとする希望を明かにしました。

94

Handwritten text in a cursive script, likely a ledger or account book. The text is organized into columns and rows, with some entries appearing to be dates or numerical values. The script is dense and fills most of the page area.

外務省情報文化局
昭和三十三年三月二十七日

仏印特別円問題に関する議定書調印式における
外務大臣の挨拶

大使閣下並びに各位

日仏両国間にかねて懸案となつておりました「インドシナ銀行に開設された諸勘定」の清算に関する問題は、両国政府の友好精神と相互理解によりまして完全に解決することが出来今日ここにその議定書に署名調印する次第となりましたことは私の極めて満足とするところであります。

本件の解決は、日仏両国間の歴史的友好関係を実証する事例でありまして今後の日仏親善関係の一層の緊密化に寄与するものであることを確信するものであります。

私は、本件解決にあたり示された仏国政府の誠意と、大使閣下及び大使館の関係各位の御努力に深甚なる敬意を表するものであります。

File No. 182/1/1
Memo. No. 266

orig on 324/6/3

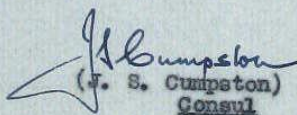
Please file in 93
480/27

The Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

7th July, 1955

... I desire to inform you that the Mission charged with the liquidation of sequestered Japanese properties in New Caledonia has begun to sell these properties. I attach a cutting advertising the following properties which are to be sold by auction in the Town Hall at Koné on 15th July. These properties are all situated in northern New Caledonia.

	Type of Property.	Situation.	Area.	Former owner.
1.	Farm	Manghine, Oudégoa	17 ha. 36½ a.	Anzai Kingora
2.	Farm	(1) Bangalam, Oudégoa (2) Marais d'Ah "	6 ha. 3 ha. 12½ a.	Takaara Tokamoshi
3.	Farm	Baco, Koné	26 ha. 82 a.	Handgawa Juro
4.	Farm	Baco, Koné	10 ha. 9 a.	Sukita Sukichi
5.	Farm	Témala, Voh	5 ha. 10.4 a.	Furukawa Kintaro
6.	Farm	Puebo	53 ha.	Uebaru Kamésuké
7.	Farm	Puebo	7 ha	Nakamura Kakuo.


(J. S. Cumpston)
Consul

EA

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

No. of Paper *Nippon Times*
Published at *Tokyo*

File No. *48027*
Date *April 17 H 1955*

BURMA, JAPAN AFFIRM PACT

Japan and Burma's vow "to work hand-in-hand for their common welfare" was affirmed yesterday with the signing of ratification notes by Foreign Minister Mamoru Shigemitsu and Burma's Charge d'Affaires U Myat Tun.

In ceremonies at the Foreign Ministry, the two men exchanged documents of ratification of the Burma-Japan Peace Treaty and the Reparations and Economic Cooperation Agreement signed last November in Rangoon. They now officially come into effect.

The two countries then issued a joint communique which stated, in part:

"The treaty establishes firm and perpetual relations of peace between the two countries and lays a foundation on which they can work hand in hand for their common welfare.

"It is the determination of Japan and the Union of Burma to contribute positively to world peace and prosperity by upholding the provisions of the Peace Treaty and living up to the principles of the United Nations Charter."

Shigemitsu and U Myat Tun later sent joint letters of thanks to Japan's ex-Foreign Minister Katsuo Okazaki and Burma's former Deputy Minister of Foreign Affairs U Kyaw Nyein.

Okazaki and Nyein had both worked to bring about the accords signed last November.

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

91
Name of Paper Ind. Embassy in Japan
Weekly Situation Report No. 48 File No. 480/27
Published at _____ Date 1st December 1955

RELATIONS WITH FRANCE :

12. It was announced on 29th November that the French and Japanese Governments had agreed to mutual exemption of visa requirements for the nationals of each other's country in cases where a stay of not more than three months was involved.

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Name of Paper *Nippon Times*
Published at *Tokyo*

File No. *480/27* *90*
Date *November 30. 1952*

480/27
**France Approves
Envoy to Japan**
PARIS, Nov. 28 (INS)—A French cabinet member said last night the Mendes-France government approved the nomination of Herve Alphand, former chief of the French delegation to the North Atlantic Treaty Organization, as Ambassador to Japan.

Name of Paper *The Japan Times*File No. *480/27*Published at *Japan*Date *3rd October 1954*

Paris Officials Prepare Yoshida Talks This Week

PARIS, Oct. 2 (Kyodo-UP)—Japanese Prime Minister Yoshida will have top-level conversations with French officials on commercial, political and cultural matters during his official visit to France October 4 to 12, part of a seven-nation Western visit.

French officials were studying their dossiers on Japan in readiness for the meetings. They said they will listen with "great interest" to Yoshida's explanations of Japan's political and economic problems. They assured Japan in advance that their representative would be heard attentively in view of the close relations between the two nations.

Yoshida will arrive in Cherbourg on the Queen Elizabeth from New York early Monday. He and his party will come in special rail coaches to Paris. They will be officially received at the Saint Lazare Station.

Tuesday Yoshida will have short talks with French Premier Pierre Mendes-France, the Presidents of the National Assembly, Council of the Republic (Senate) and other top French officials.

Yoshida will be guest of French President Rene Coty at his Rambouillet Palace in the country southwest of Paris on Wednesday.

The Japanese prime minister was expected to discuss with Mendes-France and his assistants various problems of French interests in Asia, the Indo-China situation and repercussions in Red China, Franco-Japanese commercial relations, as well as many cultural problems interesting both countries.

711/5/1

~~E.A.~~

88

COPY

Australian Embassy,
PARIS.

209/1/1
No. 682

3rd September, 1954.

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

France and Japan's Accession to GATT

In response to the enquiry in your memorandum No. 397 of 14th July, 1954, (file 711/5/1), the Ministry of Foreign Affairs informed us that there is no question of France becoming a party to the declaration between Japan and the Contracting Parties. The reasons are both political and economic. Many Japanese products at present pay the maximum tariff in this country. France was not in a position to oppose Japan's accession to GATT, but has no intention of placing its trade with Japan within the GATT framework. France hopes that a formula can be evolved at the forthcoming meeting at Geneva which will avoid the necessity of stating this bluntly.

(sgd) NOEL DESCHAMPS
Counsellor.

file 480/27

✓
24/9

Name of Paper... *Daily Telegraph*

File No... *480/21*

Published at... *Sydney N.S.W.*

Date... *20th March 1954*

New Japanese — *480/21* French trade plan

TOKIO, Tues.—The Japanese Cabinet today approved a 53-million dollar (£A.23 million) trade plan with France.

The plan will help to readjust the one-sided trade France had with Japan.

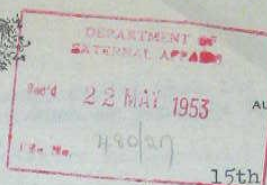
The new agreement sets a target trade balance of 28,850,000 dollars (£A.12 million) in Japanese exports to France and 24,400,000 dollars (£A.10 million) in imports.

It will give Japan a favorable balance of 4,450,000 dollars (£A.2 million).

The plan will operate until December 31.
(From United Press)

File No. 7/6.

Memo. No. 602.



AUSTRALIAN EMBASSY,
TOKYO.

MEMORANDUM for :

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

Cultural Agreement between Japan and France.

Attached are copies of the text of the above Agreement which was signed in Tokyo on 12th May by the Japanese Minister of Foreign Affairs, Mr. Okazaki, and the Ambassador of France, Mr. Maurice Dejean.

2. This is the first of such agreements entered into by Japan since the war and it is reported that other such agreements are contemplated with other countries such as Italy and India. The purpose of the agreement, as stated in the joint communique issued by the Ministry of Foreign Affairs and the French Embassy on 12th May, is "to recognise officially the existence of the cultural ties which have been cultivated over the past several decades between Japan and France and to lay the basis for their future development with the support of the Governments of the two countries".

3. The joint communique summarises the provisions of the agreement as follows :-

"The Agreement stipulates that the two Governments, on a reciprocal basis, will extend, insofar as compatible with their respective legislations, all facilities for the development of cultural relations between the two countries.

The despatch and circulation of cultural materials; the visits of scientists, intellectuals, artists and writers; the employment of professors and the stay of scholarship-holders and other students will be particularly facilitated.

Measures to assure the protection of literary, artistic and scientific works with respect to the rights of the authors will be studied.

Japanese-French cultural institutions in the two countries will receive all facilities necessary for their operation and the establishment of new institutions will be encouraged.

Two Japanese-French Joint Commissions will be created, one in Tokyo and the other in Paris. The mission of these Commissions will be to assure the application and smooth operation of the Agreement.

One of the first tasks of the Commissions will be to work out a system of equivalence for Japanese and French diplomas.

The Agreement is concluded for a period of five years and, if not denounced within the prescribed periods, is automatically renewable.

2.

The two Governments desire that the present Agreement be approved as soon as possible by the legislatures of the two countries."

M. S. Currie
Third Secretary.

Copy.

84

Cultural Agreement between Japan and France.

(Tentative translation)

The Government of Japan and the Government
of the French Republic,

Being equally desirous of maintaining and strengthening,
for their mutual benefit, the cultural ties that join the
two countries,

Have decided to conclude a cultural agreement and
have accredited as their Plenipotentiaries,

The Government of Japan :

Mr. Katsuo Okazaki, Minister for
Foreign Affairs,

The Government of the French Republic :

Mr. Maurice Dejean, Ambassador
Extraordinary and Plenipotentiary
in Japan,

Who, having communicated to each other their full
powers found to be in good and due form, have agreed upon
the following provisions :

The Contracting Parties will reciprocally facilitate,
in every way possible :

(a) the despatch and circulation of all cultural
materials, especially educational, literary, artistic,
scientific and technical books and publications, films,
gramophone records and other audio-visual material in general.

(b) the sending and showing of works or objects for
exhibition of a cultural character.

(c) the visits of intellectuals such as scientists,
writers and lecturers, of artists and of sportsmen.

(d) the employment, in the normal exercise of their
functions, of professors, technicians, educationists and
scientists by universities, laboratories and other organs of
education, study or research.

(e) the development, and possibly the founding,
in universities and other establishments of education or study
located in their respective countries, of chairs, courses or
lectures treating of the language, literature, art, archaeology,
and institutions of the other Contracting Party and all
subjects relating to such Party as well.

(f) living arrangements of scholarship holders and
other students.

(g) the exchange of radio broadcasts of a cultural
character.

(h) the exchanges concerning theatre and music.

ARTICLE II.

The contracting parties pledge themselves to study and
work out the means whereby the protection of literary,
artistic and scientific works will be assured to the best
interest of the respective Parties and also the means whereby

the translation and the reproduction of these works will be mutually encouraged with respect for the rights of the authors.

ARTICLE III.

To facilitate the execution of the provisions of paragraphs (c), (d), (f), (g) and (h) of Article I of the present Agreement, the Contracting Parties will immediately study the reciprocal grant of facility concerning the travels abroad of their respective nationals and the sojourn and the access to various centres of documentation in their respective countries of the nationals of the other Contracting Party, subject to the authorization of the competent agencies if necessary.

ARTICLE IV.

The Contracting Parties will facilitate in every way possible the operation and development of the Franco-Japanese cultural institutions which are enumerated in the annex to the present Agreement and also the establishment and operation of all similar organs, the foundation of which would prove useful for the development of cultural relations between the two countries.

ARTICLE V.

(1) The Contracting Parties will endeavour to ameliorate the conditions under which the titles and diplomas acquired in the course or at the end of studies from universities and other establishments of education and also other diplomas obtained in either of the two countries may be accepted as equivalent to corresponding titles and diplomas of the other country, whether in universities and other establishments of education or, in certain cases to be determined, for professional purposes.

(2) The Contracting Parties agree to give to the Joint Commissions provided for in Article VII of the present Agreement the competence to explore the means to work out or develop the system of equivalences between the titles or diplomas of Japan and France.

ARTICLE VI.

The Contracting Parties, in the application of the present Agreement, will accord each other on a reciprocal basis every facility compatible with their respective laws.

ARTICLE VII.

(1) In order to ensure the application of the present Agreement, to specify the conditions under which it shall operate, and to explore new possibilities of work in common, the Contracting Parties agree to establish two Franco-Japanese Joint Commissions, one in Tokyo, and the other in Paris.

(2) Each Commission shall consist of six members, of whom half shall be appointed by the Japanese Government and the French Government respectively. In Tokyo, the Japanese Government shall nominate a Japanese member of the Commission as Chairman. In Paris, the French Government shall nominate a French member of the Commission as Chairman.

(3) Each Commission shall entrust the Secretariat to a French member of the Commission in Tokyo and to a Japanese member of the Commission in Paris.

(4) Each Commission shall meet at least once a year or whenever convened by the Chairman.

(5) Each Commission may adopt its internal regulations.

ARTICLE VIII.

The present Agreement is concluded for a period of five years. If neither of the Contracting Parties has denounced it at least six months prior to the expiry of this period, it shall remain in force for one year from the date on which one or the other of the Contracting Parties notifies its intention to denounce it.

ARTICLE IX.

The present Agreement shall be ratified. The exchange of the instruments of ratification shall take place in Paris. The present Agreement shall enter into force fifteen days after the exchange of the instruments of ratification.

IN WITNESS WHEREOF, the Plenipotentiaries accredited for this purpose have signed the present Agreement and have affixed thereto their seals.

DONE in duplicate in Tokyo, this Twelfth day of May of 1953, in Japanese and French, both texts being equally authentic.

For the Government of Japan : For the Government
of the French
Republic :

List of Franco-Japanese Cultural
Institutions.

Tokyo : Maison Franco-Japonaise and Institut
Franco-Japonais.

Kyoto : Institut Franco-Japonais of Kansai.

Paris : Maison du Japon at the Cité
Universitaire (Satsuma Foundation).

DEPARTMENT OF EXTERNAL AFFAIRS, CANBERRA.

Summary of World Broadcast.

Name of Paper.....

File No. 480/27. 81

Published at.....

Date 1.1.53.

RESUMPTION OF TALKS ON PRE WAR DEBTS TO FRANCE.

The Japanese Government intends to resume talks with French credit-ors on the settlement of pre-war Japanese debts in French currency at the end of January. (Kyodo 04.35, 24.12.52.)

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

480/27

80

GO:MB

I. 15505

Dated: 8th November, 1952.
1215

FROM:

Rec'd: 9th November, 1952.
9 A.M.

Australian Embassy,
TOKYO.

963. CONFIDENTIAL. PRIORITY.

Further to my telegram 942. Crown Prince.

The French Government after consulting with the United Kingdom has decided not to confer any decoration on this occasion but will give the Prince coffee service of Sevres porcelain. The King of Sweden will however confer honour on the Prince.

A/g. Min. & Dept. E.A.
P.M.'s

Am Handover
File No. 118 15/11
480/27

9th November, 1952.

DISPATCH
RECEIVED
A.S. (U.A.)
A.S. (G.A.)
A.S. (Admin)
C.B. (L.A.)
D.N.
Sec. Ass.
E. Rel.
Pen.
West.
Central
P.I.
Con. & P.
Adm.
Finance
Ex. Comm.

EXTERNAL AFFAIRS.

480/27.

480/27

79

FOR MR. HARRY:

.... (Reference attached despatch No.13 from Tokyo).

Dejean is a career diplomat. Was delegate to United Nations San Francisco 1945. Ambassador to Czechoslovakia 1945-9. He has taken an active interest in Japanese affairs.

2. I agree with you that change of United States thinking was not as abrupt as claimed by Dejean. I think MacArthur was finding the "no rearmament" clause in the Constitution he dictated embarrassing some time before the Korean war broke out. I think the Americans always believed that Japan could be revived militarily if adequately assisted by the West. However, the Korean war did impress upon them the need to have a re-armed and friendly Japan to counteract the increasing Communist influence in the Far East. At the time the Constitution was drawn up, giving Japan the role of Switzerland in the Far East, American thinking was that Okinawa supplied adequate bases for the neutralization of Japan, if taken over by the U.S.S.R. I don't know when this line of thinking was abandoned, but I feel sure it was months before the Korean war started that the strategic importance of Japan was recognized and rearmament encouraged by the United States. It has been difficult to find in our files suitable statements to prove this point, but in May 1950, one month before the Korean war, Dulles in a press conference referred to the strategic importance of Japan and to the fact that no restrictions should be placed on her rearmament.

3. Walker refers on page 4 to the Democrats and Progressives. According to Tokyo memorandum 146 of 9th February, 1952, the Democratic Party was dissolved on 7th February and the Progressive Party came into being on 8th February.

4. I think it is incorrect to say that the Socialist Party is split "not on grounds of party doctrine but of allegiance to different leaders". The split occurred owing to divergent views on the Peace Treaty and rearmament.

East-Asia Sub-Section.
JAF/HN
14th July, 1952.

20/7
Mr. G. G. G. G.

Perhaps this error would have been avoided if some of the conversation had been in English.
H

Mr. McInyre: attached RLB. 10/7

Secretary to see Mr. G. G. G. G. 17/7

Mr. G. G. G. G.

The despatch seems to have got detached somewhere along the line

Mr. G. G. G. G. Mr. G. G. G. G.

This is an interesting opinion on Japanese funds. Speaking + Minister might like to see with comments

480/27.

78
FOR MR. HARRY:

.... (Reference attached despatch No.13 from Tokyo).

Dejean is a career diplomat. Was delegate to United Nations San Francisco 1945. Ambassador to Czechoslovakia 1945-9. He has taken an active interest in Japanese affairs.

2. I agree with you that change of United States thinking was not as abrupt as claimed by Dejean. I think MacArthur was finding the "no rearmament" clause in the Constitution he dictated embarrassing some time before the Korean war broke out. I think the Americans always believed that Japan could be revived militarily if adequately assisted by the West. However, the Korean war did impress upon them the need to have a re-armed and friendly Japan to counteract the increasing Communist influence in the Far East. At the time the Constitution was drawn up, giving Japan the role of Switzerland in the Far East, American thinking was that Okinawa supplied adequate bases for the neutralization of Japan, if taken over by the U.S.S.R. I don't know when this line of thinking was abandoned, but I feel sure it was months before the Korean war started that the strategic importance of Japan was recognized and rearmament encouraged by the United States. It has been difficult to find in our files suitable statements to prove this point, but in May 1950, one month before the Korean war, Dulles in a press conference referred to the strategic importance of Japan and to the fact that no restrictions should be placed on her rearmament.

3. Walker refers on page 4 to the Democrats and Progressives. According to Tokyo memorandum 146 of 9th February, 1952, the Democratic Party was dissolved on 7th February and the Progressive Party came into being on 8th February.

4. I think it is incorrect to say that the Socialist Party is split "not on grounds of party doctrine but of allegiance to different leaders". The split occurred owing to divergent views on the Peace Treaty and rearmament.

East-Asia Sub-Section.
JAF/HN
14th July, 1952.

No. 13/1952.



Embassy

21st June, 1952

The Rt. Hon. R.G. Casey, C.H., D.S.O., M.C.,
Minister for External Affairs,
CANBERRA. A.C.T.

Sir,

I have the honour to report that I called on the Dean of the Diplomatic Corps. Monsieur M. Dejean, at the French Embassy. He gave me in French a fairly full outline of the Japanese situation as he sees it. The main points may be summarised as follows.

2. The Japanese people have accepted the new regime introduced by the ratification of the Peace Treaty and the Security Agreement with the United States without much enthusiasm. They are feeling their way, without any very clear idea as to the direction that national policy should follow. The defeat of Japan in 1945 destroyed their conception of the world and of Japan's place in it, which was the foundation for Japanese policy. It is this lack of any definite conception as to where Japan's national interests lie in present circumstances that makes Japan vulnerable to Communist propaganda.

3. Mr. Dejean expressed the view that the situation in Japan will be critical for the whole of Asia, since Japan is the only substantial country in Asia outside the Communist orbit. India is clearly not destined to provide any effective opposition to the growth of Communist strength in Asia and the Philippines have no strength apart from that provided by United States support.

76

4. M. Dejean thinks that close attention should be given to the evolution of opinion in Japanese universities and associated groups. The French have extensive contacts with Japanese educational and cultural circles, for there are a number of French professors and other cultural representatives in Japan working under the Department of Cultural Relations of the French Foreign Office. Through these contacts, the French Embassy has been greatly impressed by the growth of Communist leanings among University students and University faculties. They estimate that at present five per cent. of University people are Communists and perhaps 20 per cent. are strongly sympathetic towards Communism. This growth of Communist strength in intellectual circles is due largely to the fact that the Communists have clear and definite answers to current questions, whereas the main political parties are lacking in any definite policy and are centred primarily upon the leadership of particular individuals. If the Communist movement grows in student and intellectual circles throughout the country, it may well gain increasing support from the masses of the people. Their living standards are so low that they would not expect to lose anything by a change in the economic system and they are not in a position to form sound judgments regarding the probable consequences of the adoption of Communism in Japan.

This does not seem long

5. M. Dejean commented upon the abrupt change in General MacArthur's attitude towards Japan following the outbreak of hostilities in Korea. From M. Dejean's arrival in Tokyo in April, 1950, until the beginning of the Korean struggle, MacArthur's view was that Japan was finished as a military power and should be regarded as the Switzerland of Asia. Her only warlike asset in the event of world conflict would be her vigorous and capable population, since she has lost her raw materials and her basic war industries. If the Soviet Union invaded Japan, MacArthur believed that any remaining Japanese strength could be readily dissipated by atomic bombardment, so that the Japanese

Is this so ?
Was the change in US thinking abrupt (see over)

population, instead of being an asset to the Soviet, would become a liability. However, following the outbreak of hostilities in Korea, MacArthur's view and that of the Americans generally had changed abruptly and they had swung around to the view that, with assistance from the western world, Japan could be made an important factor in the military situation in Asia. The dangers of such a policy to western countries was greatly diminished in the American view by the fact that Japanese re-armament would be dependent upon the supply of materials by the United States and would, therefore, be subject to control by the United States. I commented that this approach to the problem was a very difficult one for the Australian people to accept and M. Dejean drew a parallel with France's reluctant acceptance of the remilitarisation of Germany. He said it was a measure of the stupidity of Soviet policy that it should have driven the French to accept German re-armament, and other Pacific countries to agree to Japanese re-armament.

Would Australia be safer if Japanese forces were incorporated in a "Pacific Army" if that were feasible?

6. There is in his opinion a reasonable hope of ensuring that Japan will develop into an ally of the western powers, but only if the western powers are able to assist Japan to find solutions to her most pressing economic problems. Japan today finds herself with a territory restricted to that possessed by her at the beginning of the modern period of 1868, but with a population more than twice as large as it was then. Our only hope of gaining and retaining the friendship and support of Japan lies in convincing the Japanese people that co-operation with the western powers promises them a brighter future. So far, the Japanese have undoubtedly benefited from co-operation with the United States and are still reaping considerable economic advantages from the Korean war. But there is still no clear picture as to what directions of future development are open to the Japanese nation, having regard to the commercial interests and economic difficulties of western countries.

7. M. Dejean said that the present government owed such strength as it possessed to the personality of Mr. Yoshida. The Liberal Party, which has a majority in the Lower House and can usually obtain a majority in the Upper House through the support of a smaller party, has no distinctive party policy. There was very little difference between that party and the main parties further to the right, such as the Democrats and the Progressive Party, except that these parties are grouped around different leaders. The Democratic Party recently split and the dissident group formed the Progressive Party grouped around Mr. Shigemitsu, the wartime Foreign Minister who signed the Japanese Surrender. The Progressive and Democratic Parties lay rather more stress than Mr. Yoshida upon re-armament, for in this, as in all matters, Yoshida is inclined to hasten slowly and to avoid precipitate decisions. The support of the Progressive and Democratic Parties for re-armament is not due primarily to the influence of old-fashioned militarists, although some of these are cultivating these parties, but rather to the desire to attract American support. On the other side of the Government, the Socialist Party has also split into two groups or more, not on grounds of party doctrine but of allegiance to different leaders. The main weakness of the Socialist Party at present lies in its inability to produce a dynamic leader.

Split took place months ago largely in re-armament issue

8. M. Dejean expressed the desire to have another talk in the near future and I am hopeful that the French Embassy will provide a useful supplement to our other sources of information.

I have the honour to be,

Sir,

Your obedient servant,

Chw.
Ambassador

480/6

74
19th July, 1950

MEMORANDUM for:-

The Secretary,
Department of the Treasury,
CANBERRA. A.C.T.

Extension of Trade Agreement between
Japan and the French Union

Attached for your retention are two copies of Memorandum No. 582 of 6th July, 1950 from the Australian Mission in Japan, which deals with the recent extension of the trade arrangement existing between Japan and the French Union.

2. Copies of the enclosure have been sent to the Departments of Commerce and Agriculture and Trade and Customs.

Patrick Shaw
(Patrick Shaw) PS.
for Secretary

480/6

73
19th July, 1950

MEMORANDUM for:-

The Secretary, Dept. of Commerce & Agriculture, Canberra
The Comptroller-General, Dept. of Trade and Customs, Canberra

Extension of Trade Agreement between
Japan and the French Union

Attached for your retention is a copy of Memorandum No. 582 of 6th July from the Australian Mission in Japan, which deals with the recent extension of the trade arrangement existing between Japan and the French Union.

2. Copies of the enclosure have been sent to the Departments of Treasury and Trade and Customs/Commerce and Agriculture.

(Patrick Shaw)
for Secretary

PS 224/1
 DD 00
 448
 D. 10
 G. 11
 W. 12
 ESR

copy to T. A. C. A.
 T. C. P.



DEPARTMENT OF
 EXTERNAL AFFAIRS
 480/6
 11 JUL 1950
 AUSTRALIAN MISSION IN JAPAN.
 File No. TOKYO.

72

6th July, 1950

ry,
 of External Affairs,
 RA. A.C.T.

IN TRADE PACT EXTENDED

ess release of 3rd July the Japan-
 nt has been extended for an in-

2. SCAP and French Union trade officials agreed to extend the present arrangement to avoid any possible interruption pending negotiation of a new pact. Indications are that trade will be moving at a substantially higher level than during the previous postwar years. The French Union is planning purchases of approximately \$12,000,000 during the balance of this year under the extended agreement. Purchases planned to reflect balance will be made by Japan.
3. The financial arrangement in effect since July 7, 1948, which has been found satisfactory to all parties concerned, will not be altered for the present. Its scope has been broadened to include payment by the countries concerned, of certain additional services through the present French Union Open Account. Payments will be effected by special Letters of Credit which authorise entries to be made in the account in accordance with existing banking procedures.
4. The new services, to be paid in local currency equivalent, are in particular, charges incidental to foreign trade such as commissions, freight, royalties, copyrights, insurance premiums, etc.
5. The French Union includes Metropolitan France, Algeria, French Occidental Africa, French Equatorial Africa, Madagascar and dependencies, Reunion Island, French Guiana, Guadeloupe, Martinique, St. Pierre and Miquelon, French settlements in India, New Caledonia, French Oceania, Condominium of the New Hebrides, French Protectorates of Morocco and Tunisia, the Mandates of Cameroon and Togo and Indo-China.

T. W. Eckersley
Head of Mission

P



Memo No. 582

File No. 6/11/13/11

6th July, 1950

MEMORANDUM for:

The Secretary,
Department of External Affairs,
CANBERRA. A.C.T.

JAPAN-FRENCH UNION TRADE PACT EXTENDED

According to GHQ press release of 3rd July the Japan-French Union trade arrangement has been extended for an indefinite period.

2. SCAP and French Union trade officials agreed to extend the present arrangement to avoid any possible interruption pending negotiation of a new pact. Indications are that trade will be moving at a substantially higher level than during the previous postwar years. The French Union is planning purchases of approximately \$12,000,000 during the balance of this year under the extended agreement. Purchases planned to reflect balance will be made by Japan.

3. The financial arrangement in effect since July 7, 1948, which has been found satisfactory to all parties concerned, will not be altered for the present. Its scope has been broadened to include payment by the countries concerned, of certain additional services through the present French Union Open Account. Payments will be effected by special Letters of Credit which authorise entries to be made in the account in accordance with existing banking procedures.

4. The new services, to be paid in local currency equivalent, are in particular, charges incidental to foreign trade such as commissions, freight, royalties, copyrights, insurance premiums, etc.

5. The French Union includes Metropolitan France, Algeria, French Occidental Africa, French Equatorial Africa, Madagascar and dependencies, Reunion Island, French Guiana, Guadeloupe, Martinique, St. Pierre and Miquelon, French settlements in India, New Caledonia, French Oceania, Condominium of the New Hebrides, French Protectorates of Morocco and Tunisia, the Mandates of Cameroon and Togo and Indo-China.

T. A. Eckersley
Head of Mission

P

480/6

71

memo 594

7/7/50

Weekly Situation Report - Lebanon
1st - 7th July 1950

Trade with French Union:

11. Mr. Russell W. Hale, Chief of SCAP's Foreign Trade and Commerce Division, announced on 3rd July that the Japan/French Union Trade Arrangement had been extended indefinitely. It is said the French Union is planning to purchase about \$12 million during the remainder of this year.

480/6

480/6

20

Tokyo

3/7/50.

3/7/50 - 6.30 p.m. (CENTRAL NEWS).

THE TRADE AGREEMENT BETWEEN JAPAN AND THE FRENCH UNION has been extended for "an indefinite period", it was announced this afternoon by Russell Hale, Chief of SCAP'S Foreign Trade and Commerce Division. The French Union is planning purchases of approximately 12 million U.S. dollars worth of commodities from Japan during the balance of this year.

CABLEGRAM.

Tokyo 127

I. 7435

23/5/50

- 3 -

total trade Indonesia/Japan (excluding U.S. purchases), amounted to 35 million dollars.

11. Approval Trade Agreement Philippines/Japan at level 50 million dollars was announced by S.C.A.P. 18th May. Agreement covers period 1st July 1950/1st July 1951.

12. France, Sweden, Italy, Brazil have signified approval, in principle, to the establishment of Japanese Government agencies for trade and consular purposes. Previously the United States was the only country to have given approval.

13. On 18th May it was reported Japanese Government would soon negotiate with O.H.Q. for permission to send Trade Missions to Egypt, Iran, Iraq, Syria and Lebanon.

14. On 18th May reported finance Minister Ikeda had made informal application in America for Japan's entry to International Monetary Fund. Spokesman for Ikeda denied report. Washington officials "Age" quoted saying Japan's acceptance not likely at least until Peace Treaty signed.

15. Trade between Japan and South East Asia in 1949 was between 15 and 20% of 1934 volume according to S.C.A.P. report summarised Japanese press 10th May. Production of major capital goods was below 50% of capacity. Estimated at full capacity exportable surplus could, in the near future, amount to yearly average of about 265 million dollars. Plans to stimulate production and export of capital goods to South East Asia now reportedly under consideration by the Government, include establishment of import/export bank and provision of loan credits from United States counterpart fund. Government and trade officials are said to be eagerly awaiting report from Ikeda who is thought to have discussed this problem with United States officials.

16. C. Labour. According to Labour Ministry survey published 17th May, 5.84 million working days were lost during March due to strikes and lockouts. This is the highest figure for any month in Japan's Trade Union history. Disputes accompanied by strikes totalled 83 with 480,000 workers involved.

17. Kato Etsuo, Chairman of National Government Railway Workers Union, will attend forthcoming Executive Committee meeting International Confederation Free Trade Unions at Brussels. Kato reportedly will complain to Confederation concerning present Labour situation in Japan, particularly the denial of the right to strike to certain categories of workers and the Government's disregard of recent arbitration awards.

MIN. & DEPT: E.A.
MIN. & DEPT: DEFENCE
P.M.'s DEPT:

25th May 1950

JAPAN

Siam and Indo-China Debts.

16. Mr. William Teeling asked the Secretary of State for Foreign Affairs whether the United Kingdom agreed to permission being given to Japan to pay Siam and Indo-China debts incurred during the war; and why these debts have received priority over debts due to British subjects from before the war.

Mr. Bevin: The hon. Member is doubtless referring to the impending transfer of certain quantities of gold from Japan to Thailand and Indo-China. According to the Legal Advisers of the United States Government there is no doubt that, as a matter of law, this gold is already, and has long been, owned by the Governments of France and Thailand. It is, therefore, not the case that His Majesty's Government have agreed to permission being given to Japan to make payment now to Thailand and Indo-China for debts incurred during the war. Since we had no grounds for refuting the case as presented by the United States Government, that title to the gold had been legally transferred before the Japanese surrender, His Majesty's representative on the Far Eastern Commission was instructed not to oppose the physical transfer.

Mr. Teeling: Is the right hon. Gentleman aware that, at any rate in France, it has been at least semi-officially announced that these were the repayments of debts due - I have seen that myself - and will be assure the House that in no circumstances debts will be paid to any other country before they are paid to British subjects who have been owed this money since before the war?

Mr. Bevin: I gave a lot of thought to this before I instructed our representative on the Far Eastern Commission to agree to the physical transfer. I had the same doubts as the hon. Member, but, in the end, I thought the case was proved.

4 80/6

6 October, 1949.

FAR EASTERN COMMISSIONRELEASE OF EARMARKED GOLD IN JAPAN
Directive Pursuant to Basic Post -
Surrender Policy for Japan
Serial No. 106

(References: FEC-014/9, /10; FEC-343 series)

Note by the Secretary General.

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarded to further implement the statement of policy of the Far Eastern Commission on the basic post-surrender policy for Japan, is circulated for the information of the Far Eastern Commission.
2. This directive was forwarded to the Supreme Commander on 3 October 1949, and a certified copy has been filed with the Commission in Accordance with Section 111, paragraph 4, of the Terms of Reference.
3. The text of the enclosure was released to the press by the United States Government on 5 October 1949.

NELSON T. JOHNSON
Secretary General.

FEC-343/9

ENCLOSURE.

RELEASE OF EARMARKED GOLD IN JAPAN
Directive Pursuant to Basic Post-
Surrender Policy for Japan

Serial No. 106

3 October 1949.

The following directive, Serial 106, prepared by the Department of State to further implement Part 11, Paragraph 3, of the policy adopted by the Far Eastern Commission on 19 June 1947, has been received from the Office of the Secretary of Defence with direction from the President that it be transmitted to you for your guidance in accordance with Paragraph 111 of the terms of reference of the Far Eastern Commission:

"Whereas in international law and monetary practice in the absence of clear proof of a contrary intent the earmarking of gold transfers the title to such gold and the right to the possession thereof to the person in whose name the gold is earmarked with the same force and effect as transfer of title accompanied by physical transfer;

"Whereas there is held under your control in Japan a quantity of gold bullion earmarked by Japanese authorities before the surrender of Japan for the Government of France and the Government of Thailand, their agents or nationals;

"Whereas France and Thailand are members of the United Nations, and

"Whereas it is your responsibility pursuant to Part 11, Paragraph 3, of the Basic Post-Surrender Policy for Japan, Directive Serial 82, to protect the interests, assets and rights of all members of the United Nations and their nationals,

"You should release to the duly accredited representatives of the Governments of France and Thailand gold held in Japan earmarked before the surrender of Japan for them, their agents or nationals and permit the assignment or removal of such gold in accordance with international monetary practice, except for any portion of the gold to which you determine that the Government of Japan or its agents did not have good title at the time of earmarking, and any portion which was transferred by Japan in compensation for property which has subsequently been restituted in accordance with policy directives transmitted to you pursuant to the terms of reference of the Far Eastern Commission. The determination of the portion mentioned in the last clause in the immediately preceding sentence, if any, should be the subject of direct negotiations by you with the claimant government."

CABLEGRAM.

I. 14840.

DECRYPTED FROM:

Australian Embassy,
WASHINGTON.

965. UNCLASSIFIED.

FEC 129.

Our FEC 122 paragraph 3.

State Department press release 5 October announces that directive sent to S.C.A.P. on October 3 authorizing release of earmarked gold to France and Thailand. Press release contains text of directive (see FEC document 343 of 2nd September), text of United States statement of 15th September (see minutes 164 FEC meeting page 3 and replies to questions asked at 162nd FEC meeting (see FEC document 343/4)).

Min. & Dept. E.A.

7th October, 1949.

Copy on lead

Beard	/
AST	/
E	/
ME	/
A	/
IC	/
FI	/
Y	/
AT	/
UN	/
HR	/
AS	/
A, C	/
...	/

480/6 61

60,000 JAPANESE STILL IN MANCHURIA. Despatches today quote the latest Japanese repatriates from Dairen as estimating there are still 60,000 Japanese in Manchuria. One despatch reported that the technical skills of the Japanese are in great demand, and that many of the goods exhibited in the recent industrial exhibition in Dairen were made by the Japanese.

N.Y.
26/9.

160/1/1.
Memo. No. 162.

63
4 80/6.
AUSTRALIAN CONSULATE
NOUMEA

22nd September, 1949.

Memorandum for:

The Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

Some weeks ago an American mining engineer, Mr. G.W. Patterson, arrived in New Caledonia from the United States of America to investigate the mineral resources of the Island, allegedly on behalf of important United States interest.

2. Mr. Patterson returned to the States a few days ago, and I have been informed on good authority that before leaving he signed a contract with a syndicate which controls a large chrome lease in the vicinity of Plaine des Gaiacs in the northern part of the Island. Les Etablissements Ballandé are represented in the syndicate, whose lease is said to contain at least 1,000,000 tons of chrome, which I understand can be worked by the open cut method.

3. It is said that Mr. Patterson will return in a few months' time with the necessary personnel and equipment to work the deposits. While here he asked the Shell Company for a quotation for 500,000 gallons of petrol.

4. During his stay in New Caledonia Mr. Patterson took great pains to conceal the identity of the principals on whose behalf he was operating, and so far as I know no-one with whom he negotiated, from the Governor downwards, is aware of the identity of his employers. He made it known, however, that while his company was immediately interested in chrome, it was also interested in exploiting other mineral deposits in the Island.

5. Before the war, about two-thirds of the chrome production of the colony went to Germany, but since the end of the war trade with that country has not been resumed. It occurs to me, therefore, as a possibility, that Mr. Patterson's principals may be acting as agents for German interests, since from other reliable sources it has been learned that the chrome requirements of the United States, including those of the United States Government, are decreasing. The argument in regard to Germany could apply equally perhaps to Japan.

V.H. Samuels

Consul.

DD 00
DK JGR
ESR

CABLEGRAM.

M/RM

I.13811

ACTION
COPY

DECIPHER FROM

Dated: 19th September, 1949

1044

Rec'd: 19th September, 1949

1640.

Australian Consul General,
BANGKOK.CONFIDENTIAL.

B 78.

My immediately preceding telegram, United Kingdom Ambassador and I agree that London proposals are disappointing and show little appreciation of the present claims position.

Thais are now in excellent strategical position and are certain not to make or accept any offer much less than their present figures unless coerced or induced; the threat of Contingent Claims Committee procedure would leave them unmoved; they already have us at a virtual standstill in the committee and could easily force the pace against us there. One possible inducement would be the release of Japanese assets; another might be the loan which Thailand is now seeking in the United Kingdom.

Prompt lump sum settlement is most important to us. I recommend strongly that we decide urgently with the United Kingdom and India on minimum figures acceptable to us and present this promptly to the Thais with such appropriate coercions (5) and inducements as we can muster. Present estimates are ample for this purpose and proposed expert assessments would waste valuable time. Failing release of Japanese assets it is useless to cling obstinately to the hope of 100 per cent settlement.

Above views are in substantial agreement with the United Kingdom Ambassador who is sending Crichton to London September 19th to discuss the question before Prince Vivat's mission in London is completed. If you agree to these views you may wish to instruct Haydon to support Crichton if the opportunity offers.

Eastman.

Treasurer & Treasury

MIN & DEPT E.A.

20th September, 1949.

Copies received	
Secretary	<input checked="" type="checkbox"/>
AE(P)	<input checked="" type="checkbox"/>
E	<input type="checkbox"/>
ME	<input type="checkbox"/>
A	<input type="checkbox"/>
LC	<input checked="" type="checkbox"/>
PI	<input type="checkbox"/>
Pac	<input checked="" type="checkbox"/>
ANT	<input type="checkbox"/>
UN	<input checked="" type="checkbox"/>
ER	<input checked="" type="checkbox"/>
Adm	<input type="checkbox"/>
A, ce	<input type="checkbox"/>
Exec	<input type="checkbox"/>

CABLEGRAM

SECRET. ⁶¹

JSH:LF:JSH

I.13636,90

ENCYPTED FROM:

Dated: 15th September, 1949

The Australian Embassy,
WASHINGTON.Recd: 17th September, 1949
0900 hours.670. SECRET IMMEDIATE

F.E.C.122.

509.

480/6

At this-morning's meeting, we pressed issue to vote as instructed in your telegram under reference. Result of voting on Australian resolution "that issuance of directive be postponed until matter fully investigated and decided by F.E.C." is as follows:

For: Australia, China, India, New Zealand, Philippines, U.S.S.R.

Abstentions: Canada, Netherlands, United Kingdom (Dennings told us last night that he had protested vigorously to State Department about proposed directive. He had also spoken to Thai Finance Minister and urged a very early settlement of outstanding claims against Thailand).

Against: United States.

France did not participate in vote. Resolution was thus lost on United States vote.

2. Following is summary of progress of meeting;

(a) New Zealand, China, Philippines and India made statements in support of our position.

(b) United States made statement repeating its previous arguments that Thailand and France were legally entitled to earmark gold and stating that this matter was not one of policy, but rather of implementation by S.C.A.R. under a supplementary directive issued by the United States in accordance with Section I of paragraph III of the terms of reference of F.E.C. United States also gave answers to questions posed by Australia at last F.E.C. Meeting (See F.E.C. Document 343/1 sent under cover of P/L No. 493/49 of 13th September which included statement that gold for Thailand was in respect of purchases of rice, tin and rubber.

(c) We then made statement pointing out that this was a matter of principle which should, pending a Peace Treaty, be decided by the F.E.C., that F.E.C. should decide whether any countries should be given preferential treatment in the distribution of assets in Japan and that Thailand has not settled outstanding debts. We noted in passing that whilst we had doubts about the legality of French Government's title to gold, it might be that F.E.C. would, after mature consideration, decide that gold should be released to France. In this event, Australian Government would be willing to give due consideration to claims of France. We also referred to possibility that gold might be in payment for services performed by Australian and other allied prisoners of war in Thailand, and moreover, that the property of Australian commercial interests....

CABLEGRAM

SECRET.

I.18695,90

- 2 -

interests in Thailand, for instance, tin belonging to Australian companies, might fall within the category of services which Thailand may be given payment. In conclusion, we asked for vote on tentative questions directive be referred to S.C.A. recent followed and it was clear that there was no support for this motion, but that certain of our colleagues would support motion to postpone issuance of directive. We therefore fell back on your second proposal.

U.S.R. took line that vote at today's meeting was not essential and apparently accused the United States of hastening vote for political reasons. We then pointed out that we had asked for vote today.

3. United States representative, in reply to Indian question stated that the United States proposed to issue directive and intended at time of issuance to release statement to press, giving background (presumably) explaining United States position. We suspect that story of today's meeting will be leaked and have already been approached by press, but have given no comment. Should we maintain this attitude to press when United States issues its press release?

4. Other questions were discussed at meeting which will be reported in later telegram.

MIN. & DEPT. OF E.A.

17th September, 1946.

C O P Y

480/6

59

FEC-RESTRICTED

FEC-343/8

16 September, 1949

FEC-343/8

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN

Preliminary Philippine Statement, 15 September 1949
(Reference: FEC-343)

Note by the Secretary General

The enclosure, a preliminary statement on the subject of earmarked gold in Japan, was presented by the Philippine representative at the 164th meeting, 15 September, 1949, and is circulated for the consideration of the FAR EASTERN COMMISSION

NELSON T. JOHNSON
Secretary General

FEC-343/8

58

E N C L O S U R E

RELEASE OF EARMARKED GOLD IN JAPAN
Preliminary Philippine Statement, 15 September, 1949

I am instructed by the Philippine Government to state that it considers the matter of the release of the earmarked gold in Japan to be of the highest importance and would earnestly suggest that the issuance of the proposed directive be deferred until the entire problem has been examined in all its aspects and possible implications.

My Government expresses the hope that all pertinent information on the matter that has been requested as well as all other data which the United States Government considers to be essential to a full clarification of the issues involved will be supplied as soon as possible.

Otherwise, my Government reserves its position on the substance of the question, stating only that in its view, the release of the earmarked gold is not as urgent as the principle involved is important.

FEC-343/8 - END

C O P Y

480/6
FEC-RESTRICTED

FEC-343/7

16 September 1949 57

FEC-343/7

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN
Second Chinese Statement, 15 September 1949
(Reference: FEC-343/2)

Note by the Secretary General

The enclosure, a second statement on the subject of ear-marked gold in Japan, was presented by the Chinese representative at the 164th meeting, 15 September 1949, and is circulated for the consideration of the Far Eastern Commission.

NELSON T. JOHNSON
Secretary General

FEC-343/7

ENCLOSURERELEASE OF EARMARKED GOLD IN JAPAN
Second Chinese Statement, 15 September, 1949

Mr. Chairman,

Your statement at the last meeting of the Commission to the effect that the U.S. Government had intended to call for an expression of views on the proposed directive to SCAP on the release of "earmarked" gold is a welcome one. For my part I can assure you that you will have our fullest co-operation in giving the subject a prompt and careful consideration. At the last meeting the Australian representative raised several very pertinent questions, in the reply to which we take keen interest. Today I would avail myself of the opportunity to ask the U.S. Government, through your good office, a few more questions for the purpose of clarification.

(1) How was the gold "earmarked"? Was it in the form of a written legal agreement, or was it merely a bookkeeping entry? Could the proposed release of gold be taken to mean that the U.S. Government considers that financial obligations assumed by Japan during the war were bona fide transactions and, therefore, should be duly executed?

(2) Waiving all legal considerations for the purpose of this question, why should the "earmarked" gold be released to the Governments of France and Thailand only? Is such preferential treatment intended to reward special contribution to the Allied cause in the Pacific? Or is there some other consideration?

(3) Does the arrangement for the release of "earmarked" gold not tend to prejudice a just final settlement of debt claims and reparations claims of all the Allied nations against Japan?

While waiting for a clarification of these points, may I reiterate the hope I expressed last time that the U.S. Government would withhold the issuance of the directive pending a thorough discussion of the matter by the F.E.C. An assurance to this effect would, I feel sure, greatly contribute to a just and constructive solution of the problem before us.

FEC-343/7 - END

C O P Y

480/6

FEC-RESTRICTED

FEC-343/6

16th September, 1949

FEC-343/6

55

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN
New Zealand Statement, 15 September, 1949
(Reference: FEC-343)

Note by the Secretary General

The enclosure, a statement on the subject of earmarked gold in Japan, was presented by the New Zealand representative at the 164th meeting of the Far Eastern Commission, 15 September, 1949, and is circulated for the consideration of the FAR EASTERN COMMISSION.

NELSON T. JOHNSON
Secretary General

FEC-343/6

ENCLOSURERELEASE OF FARMARKED GOLD IN JAPAN
New Zealand Statement, 15 September 1949

I am instructed by the New Zealand Government to state, with regret, that the New Zealand delegation are unable at this stage to support the views or the intentions of the United States Government with regard to the proposed transfer of gold to Thailand and Indo-China.

On the aspect of procedure it seems to us that the course proposed could not possibly be justified under Clause 1 of paragraph III of the Terms of Reference of the Far Eastern Commission, nor could it, in our view, possibly derive from paragraph 3 of the policy adopted by the Far Eastern Commission June 19, 1947. Alternatively, we could not accept any suggestion that this is an urgent matter that has arisen within the meaning of Clause 3 of paragraph III of the Terms of Reference of the Far Eastern Commission.

In the matter of substance the Government of New Zealand wish to invite attention to the consideration that there may be other governments for whose interests paragraph 3 of the Basic Post-Surrender document require the Supreme Commander to pay special regard, with an equal or better title to this gold than the Governments of France and Thailand. Furthermore, the New Zealand Government cannot be insensible of the fact that during the period in respect of which it is stated this gold accumulated, Thailand was an enemy of New Zealand - indeed of the majority of the belligerents then at war with Japan - while French Indo-China was controlled by Japan, an active enemy of New Zealand and the United States and other powers with a vital interest in the war against Japan.

Having regard, therefore, to this and other facts, the New Zealand Government have come to the conclusion that before any decision is taken by the Far Eastern Commission to dispose of the gold in the manner proposed by the Government of the United States, full consideration must be given to all allied claims upon this gold that may exist. Furthermore, they consider that questions of this kind, which do not in their view, at least on the information available to them, warrant urgent action of the kind suggested, should be considered in the context of the Japanese peace settlement. Opportunity would then exist for full and adequate consideration of the claims of all countries and their nationals which may have a legitimate claim to the gold in question and to consider its disposal in the circumstances of a general settlement.

I should wish in conclusion to make it plain that while we have found it necessary to make this statement, we are nevertheless not at this stage making any final judgment as to the transfer of this gold to Thailand or to Indo-China. Our position is that at the moment and with the limited knowledge that we possess we must oppose such a transfer at this time and in this way.

FEC-343/6 - END

C O P Y

480/6

53

FEC-343/4

FEC-RESTRICTED

FEC-343/4

15 September, 1949

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN
Replies to Queries at 163rd FEC Meeting
(Reference: FEC 343/1)

Note by the Secretary General

The enclosure, replies to queries raised at the 163rd Meeting of the Far Eastern Commission on 8th September, 1949, was submitted by the United States representative at the 164th meeting, 15 September, 1949, and is circulated for the information of the Far Eastern Commission.

NELSON T. JOHNSON
Secretary General

FEC-343/4

ENCLOSURERELEASE OF EARMARKED GOLD IN JAPAN
Replies to Queries at 163rd FEC Meeting

1. The total value of the gold earmarked for France and Thailand is approximately \$81,000,000 of which \$37,300,000 (approximately 33,000,000 grams) is earmarked for the Bank of Indo-China and \$43,700,000 (approximately 38,800,000 grams) for the Bank of Thailand.
2. (a) 20,777,000 grams of gold were earmarked for the Bank of Indo-China pursuant to a commercial agreement made on May 6, 1941. Under this agreement yen accruing to the credit of Indo-China were converted from time to time into gold. The commodities supplied by Indo-China consisted principally of rubber and rice. The last earmarking under this arrangement was in May, 1943. Under a further agreement, for the use of French ships by the Japanese, one-third of the yen paid to Indo-China were converted by earmarking gold. Under this agreement 439,000 grams of gold were earmarked for the Bank of Indo-China in May, 1943. The balance, 11,840,000 grams of gold, was earmarked in payment for supplies purchased by the occupation forces in Indo-China, one-third of the yen accruing to the Indo-China being subject to conversion. The last earmarking under this arrangement was in September, 1942.

(b) Gold was earmarked for Thailand under a series of arrangements whereby yen credits were established by the Japanese in payment for baht credits given by Thailand to Japan, a portion of the yen to be converted into gold. The first such agreements, in 1941, involved the granting of credits to finance trade between the two countries. The later advances of baht were made as a result of demands by the Japanese military. In both cases the primary commodity purchased by the Japanese was rice; other important commodities were tin and rubber. The goods and services were supplied by Thailand from early 1941 until the middle of 1945.
3. (a) Gold was earmarked for the Bank of Indo-China in 1941, 1942, and 1943. Approximately one-third of the gold was earmarked before December 7, 1941.

(b) Gold was earmarked for Thailand between August 28, 1941, and July 5, 1945, inclusive.
4. In all cases, specific bars were physically marked and segregated, and acknowledgments of custody for the Bank of Indo-China or the Bank of Thailand, as the case may be, were executed. The Thai Government under the agreements was permitted to inspect the gold in the Bank of Japan and is in possession of full documentation indicating the specific bars owned by and set aside for it. Some gold, not included in the amount now under earmark, was physically transferred to Thailand.
5. The total amount of gold held by Japan at the time of surrender was approximately 182,000,000 grams (including gold under earmark).
6. The following amounts of gold found in Japan are under earmark in addition to that earmarked for Thailand and France:

(a) Gold bars aggregating 213,927.2 grams are earmarked for the Bank of Italy. This earmarking was made in 1942 pursuant to a transaction whereby the Yokohama Specie Bank purchased United States dollars from the Italian Government for Japanese diplomatic purposes in Argentina and Chile, undertaking to make repayment in Japan, 40 per cent. in yen and 60 per cent. in gold bullion. No action has yet been taken with respect to the release of this gold.

FEC-343/4

FEC-Restricted

(b) There are 607,268.9 grams of gold under earmark for the Federal Reserve Bank of China, an agent of the Japanese puppet regime in China. These ingots were produced from gold mined in occupied China and sent to Japan for refining. The Federal Reserve Bank of China purchased the gold from the mining company, but the gold remained in the custody of the Bank of Japan. The Supreme Commander has indicated that he is treating this gold as looted and is submitting the question of its disposition to the Restitution Advisory Committee in Tokyo for a recommendation whether restitution should be made to China under Far Eastern Commission directives.

FEC-343/4 - END

COPY

480/6

56

FEC-RESTRICTED

FEC-343/5

15th September 1949

FEC-343/5

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN

United States Statement of 15 September 1949
(Reference: FEC-343)

Note by the Secretary General

The enclosure, a statement on the subject of release of earmarked gold in Japan, was presented by the United States representative at the 174th meeting of the Far Eastern Commission, 15 September 1949, and is circulated for the information of the Far Eastern Commission.

NELSON T. JOHNSON
Secretary General

FEC-343/5

109

ENCLOSURERELEASE OF EARMARKED GOLD IN JAPAN
U.S. Statement of 15 September 1949

Upon the instructions of my Government I desire to make the following statement concerning the problem of the gold in Japan earmarked for France and Thailand and the announced intention of the United States to issue a directive to the Supreme Commander to release the gold to those countries.

The decision of my Government that the gold should be released was made after extended study of the legal rights of the parties and after thorough consideration of all the factors involved. My Government concluded, first, that France and Thailand undoubtedly became the owners of the gold both under international monetary practice and the ordinary law governing commercial transactions. The earmarking of gold is an accepted method of transferring title thereto, and in the opinion of the financial authorities of this Government, should be treated in good faith as an accepted method of international payment. In the present cases these earmarkings were not only registered in the books of the Japanese Banks but specific gold bars were physically marked and segregated and acknowledgments of custody for the Bank of Indo-China and Bank of Thailand respectively were executed.

My Government has concluded that there are no considerations to justify disregarding the property rights of France and Thailand. As a matter of law the gold is clearly not Japanese. It is true that much of the gold was transferred during a period when the countries concerned were at war with certain of the members of the FEC or were under enemy occupation. There is nothing in international law, however, which makes compensation for goods and services illegal, whether made to a neutral, a co-belligerent, or an occupied-enemy power. There is nothing, moreover, in the practice of the Allied Powers in the post-war gold settlements in Europe which could justify disregarding the present transfers. No efforts were made in those settlements to set aside transfers of gold by the enemy powers except in the case of gold which had been looted. Since the present case involves the ownership of physical property, title to which was lawfully transferred, it is entirely distinct from monetary claims claims which these and other countries may have in consequence of commercial and financial transactions during the war. My Government agrees entirely that the availability of Japanese assets and foreign exchange resources to pay monetary claims must be considered in the light of competing claims arising out of the war and the occupation.

Lastly, my Government concluded that notwithstanding the values involved this matter does not present a policy question which is appropriate for consideration by the Far Eastern Commission, but rather the implementation by the Supreme Commander, under a supplementary directive issued by the United States in accordance with Section I of paragraph III of the terms of reference of the FEC, of the general decision of the Far Eastern Commission with respect to the assets of members of the United Nations and their nationals. The directive which my Government proposes to issue thus is of an administrative nature and does not determine any policy questions which fall within the province of this Commission.

In response to the specific request of the Australian member my Government has prepared and will circulate to the members here a memorandum giving certain factual information about the transactions involved. As indicated previously my Government intends shortly to issue the proposed directive, which will be filed with the Commission.

FEC343/5 - END



MD/jo

DECYPHER TO

AUSTRALIAN EMBASSY
WASHINGTON

0.11442
Sent September 13, 1949
4.10

509. CONFIDENTIAL.

Your 831 (FEC119).

We consider the best course would be to try at Thursday's meeting to have the matter brought to a vote on its merits. Our main argument should be that Thailand was at war with us and other Allies and that no assets should be released to Thailand until all outstanding wartime claims against Thailand have been settled. We would not be unduly disturbed if FEC should decide that Indo-China's share should be released forthwith, though we are still doubtful about legality of title in both cases. An immediate vote on the substantive question would safeguard the authority of FEC and would at the same time place on the United States the onus of deciding whether to veto if it found itself in minority.

If however FEC is unwilling to consider proposal on its merits, you should move that directive be postponed until question can be fully investigated, considered and decided by FEC in interests of all Governments which participated actively in war against Japan.

We are doubtful whether there is anything to be gained from entering into legal argument on question of title. Investigation might show that legal title is valid, but this is in any event secondary to main consideration that Thailand has not even yet settled outstanding claims against Australia.

MIN AND DEPT E.A.
September 14, 1949

TRIPPLICATE

480/6
47
AUSTRALIAN EMBASSY

12 September, 1949

Memorandum No. 1043/49

MEMORANDUM for:

The Secretary,
Department of External Affairs,
Canberra, A.C.T.
Australia

Transfer of Gold from Japan to Thailand

Further to our telegram No 835 of 9th September summarising the contents of a note left by the Thai Ambassador when he called on the Ambassador on the morning of the 9th, attached is a copy of text of Thai Ambassador's note.

We understand that the Ambassador of Thailand has visited the missions of other countries represented on the Far Eastern Commission in an endeavour to enlist their support.

DMcN
D.W. McNicol
Second Secretary

Encl. (1)

DWMcN:gf

46

MEMORANDUM

The Government of Thailand has requested the Government of the United States to take such measures as may be required to release to the Bank of Thailand certain gold bars owned by the Bank of Thailand and deposited for safekeeping in Japan.

Documents have been submitted to the Government of the United States establishing that the Bank of Thailand is the lawful owner of 2,696 gold bars, with a fine gold content of 38,854,999.30 grams, which are being held for safekeeping on its behalf in the vaults of the Bank of Japan at Osaka and Tokyo. The Bank of Thailand is in possession of safekeeping-receipts issued by the Bank of Japan. In addition, it is in possession of weight lists, certificates of inspection and other documents, describing the bars by number, gross weight and fine gold content. The gold bars are physically segregated from other gold in the vaults in the Bank of Japan and the markings and other identifying symbols evidence that the gold is owned by the Bank of Thailand and is being held in safekeeping for it.

The gold bars constitute a major part of the Currency Reserve maintained by the Bank of Thailand pursuant to the Thailand Currency Act B.E. 2471.

Approximately one-half of the gold was purchased pursuant to agreements entered into in 1941, which provided for the settlement of credits by transfers of gold. The remainder was purchased with balances which accrued in favor of Thailand during the war. The dates of the pertinent agreements and the amount of gold presently held under earmark in Japan pursuant to such agreements are summarized as follows:

<u>Date of Agreement</u>	<u>No. of Bars</u>	<u>Weights</u>
Aug. 2, 1941	135	2,316,948.70
Aug. 26, 1941	268	3,979,273.60
Dec. 6, 1941	454	6,527,857.70
Dec. 20, 1941	327	4,896,246.10
Dec. 25, 1942	412	6,041,666.70
Oct. 29, 1943	430	6,250,000.00
April 8, 1944	424	6,055,364.10
Oct. 27, 1944	196	2,727,642.40
Total	2696	38,854,999.30

The gold acquired during the war was purchased in an effort to maintain the integrity of the Thai Currency System and to avert financial

45

and economic collapse. The Thai Government had been obliged during the war to make available to Japan local currency in excess of 1600 million baht in exchange for yen. This resulted in a tremendous increase in the note circulation and there was serious danger of economic and financial ruination. The Thai Government eventually succeeded in arranging for the purchase of a total of 1506 gold bars, with a fine gold content of 21,307,239.6 grams. The purchase represented the conversion of the yen equivalent of baht 114,000,111.51, as compared to the outlay of over 900 million baht in the purchase of rice and other commodities which were sent to the southern regions occupied by Japan for civilian and military consumption.

It is apparent that only to a small degree was the Thai Government able to mitigate the acts of exploitation and spoliation of the Thai economy by the Japanese Government. By the end of the war the unliquidated credit balances in favor of Thailand amounted to baht 1,556,653,411.07. Note circulation had risen to baht 2,096,132,348 as compared to a pre-war circulation of baht 297,334,079. Currency reserves had fallen from 98.5% to approximately 35%. Over 60% of this reserve was accounted for by the gold held under earmark in Japan.

Under well established principles of both municipal and international law, the Bank of Thailand acquired valid title to the gold purchased by it. Its prompt release will promote stability in Thailand.

480/6
FEC-343/1.

44
FEC-RESTRICTED

FEC-343/1

9 September 1949

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN
Australian Statement at 163rd FEC Meeting, 8 September 1949
(Reference: Fec-343)

Note by the Secretary General

1. The enclosure, a statement on the subject of release of earmarked gold in Japan, was presented by the Australian representative at the 163rd meeting of the Far Eastern Commission, 8 September 1949, and is circulated for the consideration of the FAR EASTERN COMMISSION.

2. The detailed list of questions referred to in the second paragraph of the enclosure is contained in an appendix.

NELSON T. JOHNSON
Secretary General

FEC-343/1

ENCLOSURERELEASE OF EARMARKED GOLD IN JAPAN
Australian Statement at 163rd FEC Meeting, 8 September 1949

Mr. Chairman I should like to raise the question of Document FEC-343 "Release of Earmarked Gold in Japan" a Directive which the United States proposes to issue to the Supreme Commander for the Allied Powers in the near future. This directive raises a number of important questions of principle, and also some questions of facts which are relevant.

I have in mind such questions as how much gold was earmarked, for what services was it earmarked, and when was it earmarked. I shall, Mr. Chairman, give a more detailed list of questions to the Secretary General for inclusion in the Minutes of this meeting.

This directive also raises important questions of principle and cannot be approached lightly, because the quantity of gold involved may be large both in absolute terms and in proportion to the total gold holdings in Japan. It is very important for the Commission to establish not merely that France and Thailand have a title to this gold but also that they are entitled to preferential treatment in the distribution of Japanese assets either as reparations or as settlement of legitimate debts.

I propose therefore that the Far Eastern Commission should consider this directive as a matter of urgency.

FEC-343 states that the United States proposes to issue this directive "in the near future". I take it that this does not mean that the United States Government will act precipitately before the Commission has had full opportunity to examine and make recommendations on this matter. It would be difficult to argue that this is a matter of urgency. It is now more than four years since Japan's surrender; the gold has been in Japan all this time. It is therefore clear that neither the United States nor any other country has considered this to be a question of urgency, and it would be quite improper for the directive to be issued while any member of this Commission expresses a desire to examine the matter. I need not elaborate this point, because I feel that it will be generally accepted by members of the Commission.

Having said that, Mr. Chairman, I would like briefly to state the views of the Australian Government on the principles raised by this suggested directive. The goods and services, in payment of which this gold has been earmarked, we presumably rendered to Japan during the war and the arrangements under which Japan earmarked the gold were also made during the war. These arrangements therefore can have no more validity in our eyes than any other decisions made by Japan during the war at the expense of nations fighting against her. What in effect appears to have happened is that Japan made an arrangement whereby certain claims were to be given preferential treatment over other debts and obligations, and also, as it turns out, over claims to reparations.

If suggested directive is issued, what will be done is to give preference to France and Thailand over other countries and their nationals. The directive in effect concedes that it was proper and competent for the Japanese Government, in the middle of the war, to decide that two countries should be given a permanent preference in the settlement of their claims - a preference which even victory could not change. It also

would imply that these countries should be recompensed ahead of those other countries which suffered severely at Japanese hands and which have had so much of their materials and buildings utterly destroyed. 42

It will be easier for the Commission to discuss this question when the full facts have been made known and duly examined. In any case it would seem wrong to dispose of Japanese gold piecemeal. Japanese gold holdings should be considered as a whole, with full knowledge of all Japanese international obligations both prewar and current. It is a question to be decided by all the countries which fought Japan, that is to say, it should be fully discussed by the Far Eastern Commission and settled in a way that will give justice to all countries which contributed to victory in the Pacific war.

There is another aspect of this question which is of particular significance to my Government. Thailand has not yet discharged all her obligations under her peace Treaties.

For example, she has not yet met the outstanding claims of those countries against whom she waged war, including Australia. My Government is strongly of the opinion that no assets held in Japan should be released to Thailand until all Allied claims are settled.

401
FEC-RESTRICTED

A P P E N D I X.

1. What is the total value of the earmarked gold and how much is to go to France and how much to Thailand?
2. In return for what goods or services was the gold earmarked and when were these goods and services provided?
3. When was the gold earmarked?
4. Were specific bars or pieces of gold earmarked, or was it a general allocation of the Japanese holdings of gold?
5. What was the total amount of gold held by Japan at the time of the surrender?
6. Has any other of this gold been earmarked by the Japanese for any other Power in addition to France and Thailand?

Appendix

- 3 -

FEC-343/1 - END.

COPY

480/6
FEC-RESTRICTED

FEC-343/3

FEC-343/3

9 September 1949

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN
French Statement at 163rd FEC Meeting, 8 September 1949
(Reference: FEC-343)

Note by the Secretary General

The enclosure, a statement on the subject of release of earmarked gold in Japan, was presented by the French representative at the 163rd meeting of the Far Eastern Commission, 8 September 1949, and is circulated for the consideration of the FAR EASTERN COMMISSION.

NELSON T. JOHNSON
Secretary General

FEC-343/3

ENCLOSURE

RELEASE OF EARMARKED GOLD IN JAPAN
French Statement at 163rd FEC Meeting, 8 September 1949

The French Government has noted with satisfaction that the United States Government intends to issue to the Supreme Commander for the Allied Powers, in the near future, a directive on the release of earmarked gold in Japan.

The French Government appreciates the courtesy shown by the United States Government in informing the members of the Far Eastern Commission of this contemplated action; it feels, however, that the release of earmarked gold in Japan, its property, is a measure which falls within the competence of the Supreme Commander for the Allied Powers and that any negotiations or discussions concerning that subject can be conducted only through diplomatic channels between the United States Government and itself.

COPY

480/6

FEC-343/2

FEC-RESTRICTED

FEC-343/2

9 September 1949

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN
Chinese Statement at 163rd FEC Meeting, 8 September 1949
(Reference: FEC-343)

Note by the Secretary General

The enclosure, a statement on the subject of release of earmarked gold in Japan, was presented by the Chinese representative at the 163rd meeting of the Far Eastern Commission, 8 September 1949, and is circulated for the consideration of the FAR EASTERN COMMISSION.

NELSON T. JOHNSON
Secretary General

FEC-343/2

ENCLOSURE

37

RELEASE OF EARMARKED GOLD IN JAPAN
Chinese Statement of 163rd FEC Meeting, 8 September 1949

We of the Chinese Delegation fully understand and appreciate the fact that the U.S. in considering to issue the directive to release earmarked gold in Japan has been motivated by the desire to bring to an early solution the various claims against Japan, in particular those by member countries of the Far Eastern Commission.

While viewing the imminent directive in a spirit of understanding, we nevertheless cannot help entertaining some serious misgivings as to the appropriateness of the procedure and even the wisdom of the issuance of directive at this time. We of the Chinese Delegation have good reasons to hope that the U.S. Government will refrain from doing so until there is a full opportunity for the member countries of the Far Eastern Commission to express their views on the matter.

Part II, para. 3 of the Basic Post-Surrender Policy for Japan provides only that it shall be the duty of SCAP to protect the interests, assets, and rights of all members of the United Nations and their nationals. It does not stipulate that he has the authority to release such assets. The word "protection" could in no way be construed to imply the distribution and release of such assets. As you are aware, para. 16 of Interim Import-Export Policies for Japan provides, among other things that the stocks of gold, silver, other precious metals, precious stones and jewels known to have probably been looted should not be exported from Japan and those of clearly established Japanese ownership ultimately should be disposed of as reparations. In view of the above reasons the Chinese Delegation is of the opinion that the FEC should consider the directive prior to its issuance in the light of its possible relation to existing FEC policies and the general issue of claims against Japan.

According to the Summation of Non-Military Activities in Japan, September 1947 (page 242) there are approximately 73,000,000 grams of gold (\$81,979,000) earmarked for Indo-China, Siam, Italy, and China. Even waiving all legal considerations, the Chinese Delegation fails to understand why two countries are singled out to which earmarked gold should be released. We feel that we need more information concerning the proposed directive authorizing the release of liquid assets in Japan. We consider it important that no hasty or premature step should be taken which might render possible, however unwittingly, the dissipation of the liquid assets in Japan prejudicial to the interests of all concerned.

We believe that the U.S. Government has fully realized that the disposition of liquid assets in Japan is an integral part of the broader question of general claims against Japan. Viewing the problem in the light of the settlement of over-all claims, we hope the U.S. Government will see its way to withholding the issuance of the directive pending fuller consideration of settlement of claims against Japan.

COPY

480/6

FEC-343

FEC-RESTRICTED

FEC-343

2 September 1949

FAR EASTERN COMMISSION

RELEASE OF EARMARKED GOLD IN JAPAN
Directive to the Supreme Commander for the Allied Powers

Note by the Secretary General

1. The enclosure, a directive to the Supreme Commander for the Allied Powers on the subject of release of earmarked gold in Japan, has been received from the U.S. representative and is circulated for the information of the Far Eastern Commission.
2. The Secretary General has been requested to inform the Far Eastern Commission that the United States Government intends to issue the enclosed directive to the Supreme Commander for the Allied Powers in the near future.

NELSON T. JOHNSON
Secretary General.

FEC-343

ENCLOSURERELEASE OF EARMARKED GOLD IN JAPAN
Directive to the Supreme Commander for the Allied Powers

The following is a directive which the United States intends to issue to the Supreme Commander for the Allied Powers in the near future:

Directive Pursuant to Basic Post-Surrender
Policy for Japan, Serial No. 82

The following directive, serial number ____, prepared to further implement Part II, Paragraph 3 of the policy adopted by the Far Eastern Commission on June 19, 1947 has been received from the Department of State and the Department of Defense for transmission to you for your guidance in accordance with paragraph III of the Terms of Reference of the Far Eastern Commission.

Whereas in international law and monetary practice in the absence of clear proof of a contrary intent the earmarking of gold transfers the title to such gold and the right to the possession thereof to the person in whose name the gold is earmarked with the same force and effect as transfer of title accompanied by physical transfer;

Whereas there is held under your control in Japan a quantity of gold bullion earmarked by Japanese authorities before the surrender of Japan for the Government of France and the Government of Thailand, their agents or nationals;

Whereas France and Thailand are members of the United Nations, and

Whereas it is your responsibility pursuant to Part II, Paragraph 3 of the Basic Post-Surrender Policy for Japan, Directive Serial No. 82 to protect the interests, assets and rights of all Members of the United Nations and their nationals,

You should release to the duly accredited representatives of the Governments of France and Thailand gold held in Japan earmarked before the surrender of Japan for them, their agents or nationals and permit the assignment or removal of such gold in accordance with international monetary practice, except for any portion of the gold to which you determine that the Government of Japan or its agents did not have good title at the time of earmarking, and any portion which was transferred by Japan in compensation for property which has subsequently been restituted in accordance with policy directives transmitted to you pursuant to the Terms of Reference of the Far Eastern Commission. The determination of the portion mentioned in the last clause in the immediately preceding sentence, if any, should be the subject of direct negotiations by you with the claimant government.

This is an unparaphrased version of a Cypher Message. It is not to be distributed outside a British Commonwealth Government Department or Instrumentality without paraphrasing. It is never to be downgraded below 'Restricted'.

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

SECRET.

COPY

..CC

13547

Dated: 9th September, 1949
1339

Recd.: 10th September, 1949
0900

DECYPHER FROM:

Australian Embassy,
WASHINGTON.

831. SECRET. IMMEDIATE.

For Dr. Burton from Ambassador.

F.E.C. 119. Your 499.

We have been considering how to bring this question to a vote as instructed in paragraph 4 of your 485 of 8th September in view of time factor if the United States, as seems most likely, proceeds with the issuance of directive to S.C.A.P. on 16th September.

2. The only approach that occurs to us would be to introduce a resolution that the directive be not issued. This would give rise to procedural disputation viz. paragraph 111(1) of F.E.C. terms of reference. We would maintain that this directive could not be issued as a result of a specific F.E.C. policy decision and the United States would argue that the directive was in implementation of F.E.C. basic past surrender policy and would obstruct by every possible means. Whether we could force the issue to a vote is doubtful. We might move a motion that a vote be taken at once but some other delegation might move for postponement. Second motion would be voted on first and if approved support the United States. In any event it appears most unlikely that other Governments would have given or would have wished to give instructions to their representatives on this issue.

3. It does not seem possible to prevent the United States from issuing directive although directive can of course be reviewed by F.E.C. after it is issued. However, from past experience, it would appear that such action would result ultimately in fruitless discussion and a decision unfavourable to us because of the United States veto. Moreover, we would be forced into a position from which we could only with difficulty retreat and would possibly impair our friendly relations with the United States Government.

4. We feel that the United States arguments in rebuttal of our statement yesterday will be predicated on legal issues and, as yet, we do not have sufficient factual information about the earmarking of the gold to argue with confidence. Any views that you might have on legal aspects would be most helpful.

5. You are aware of the United States general attitude towards F.E.C. and its disinclination to work through it. The whole issue should be considered in this context.

MIN. & DEPT. E.A.

10th September, 1949

Copies

Secretary	✓
AS(P)	✓
E	✓
ME	✓
A	✓
LC	✓
FI	✓
Fac	✓
ANT	✓
UN	✓
ETR	✓
Adm	✓
A, 00	✓
Excom	✓

DM
ESR - 479/10/11 ✓ - 9 hours with
480/6 ✓
480/30
483/2

480/6
32

GOLD FOR THAILAND AND FRANCE

Reference: Telegram FEC 117 of 8th September, 1949, following other documents to which the Chinese Representative referred.

A. Extract from Page 242 of SCAP Summation of Non-Military Activities in Japan. No. 24 September, 1947.

Precious Metals:

Precious metals valued at \$ 64,460 were taken in custody between 21 August and 20 September. Gold and silver with a value of \$44,579 were released to the Army Exchange Central Purchasing Office for manufacture into souvenir items and 16,624 grams of platinum were released through the Ministry of Finance for industrial use in the domestic economy.

PRECIOUS METALS IN SCAP CUSTODY
20 September

	<u>Fine Grams</u>	<u>Value in U. S. Dollars</u>	
		<u>Per Gram</u>	<u>Total</u>
Gold			
On hand 21 August a/	182,868,458	1.12529	205,780,047
Taken into custody	44,818		50,433
Released	<u>15,799</u>		<u>17,778</u>
Balance:	182,897,477		205,812,702
Platinum			
On hand 21 August	4,490,184	1.12529	5,052,759
Taken into custody	531		598
Released	<u>16,624</u>		<u>18,707</u>
Balance:	4,474,091		5,034,650
Silver			
On hand 21 August	2,047,505,297	0.02282	46,724,071
Taken into custody	588,515		13,430
Released	<u>1,174,441</u>		<u>26,801</u>
Balance:	2,046,919,371		46,710,700
Total value:			257,558,052

a/ Includes approximately 73,000,000 grams earmarked for Indo-China, Siam Italy and China.

B. Paragraph 16 of FEC Policy Decision on Interim Import-Export Policies for Japan - FEC 232/26 of 24th July, 1947

16. Stocks of gold, silver, cultural objects and other precious metals precious stones and jewels should be disposed of as follows:

- a. Cultural objects, produced prior to September 1, 1945, should not be exported.
- b. Stocks of gold, silver, precious metals looted from occupied areas should be treated in accordance with Far Eastern Commission policy and pending establishment of a new restitution policy, items known to have been looted or probably looted, should not be exported from Japan.
- c. Stocks of gold, silver, other precious metals, precious stones and jewels of clearly established Japanese ownership ultimately should be disposed of as reparations. In the meantime, values of such Japanese assets should be preserved, but such assets themselves may be used as a means of acquiring foreign exchange to aid

31

in financing production programs designed to contribute to the revival of productivity in a Japanese peace economy. In case of export of the above-mentioned assets equal opportunity to acquire these assets in return for acceptable currency should be granted to all member countries of the Far Eastern Commission.

CABLEGRAM.

JO/GC

I.13341

Dated: 8th September, 1949
1917
Recd.: 9th September, 1949
1600

DECYPHER FROM:

Australian Embassy,
WASHINGTON.

828. RESTRICTED.

F.E.C. 117.

Your 499.

Gold for Thailand and France.

A firm statement along the lines of your recent telegrams made by the Ambassador at this morning's meeting. Chinese and Indian representatives supported. Comments of various members are summarised as follows:

- (a) Chinese representative argued that the action contemplated by the United States was contrary to paragraph 16 of the policy decision on interim import-export policies for Japan. (F.E.C. 232/26). He also referred to page 242 of S.C.A.P. summary of non-military activity of September 1947 and asked why China had been singled out as an exception. He said that no hasty or premature steps should be taken, that this issue was an integral part of Allies' general claims against Japan and urged that directive be withheld.
- (b) The Indian representative, whilst without instructions on this particular issue, said that his Government was most concerned that the policy-making functions of F.E.C. should be safeguarded and expressed opinion that directive should be fully considered by the Commission.
- (c) The United Kingdom representative observed that he would withhold comment for the time being until further evidence as to title of the gold had been provided.
- (d) The French representative pointed out briefly that this question did not fall within competence of F.E.C., but was properly administrative act within competence of S.C.A.P. He said that any discussions about this matter should be conducted through diplomatic channels and that the French Government would not produce evidence of title before F.E.C.

2. We put it to the Chairman that this matter should be urgently considered by F.E.C. before directive was issued. Chairman replied that it was his assumption that the United States Government would give opportunity for further discussion by Commission.

MIN. & DEPT. E.A.

9th September, 1949

CABLEGRAM. **SECRET.**

H. M. A.

I. 12395.
 Rec'd: 11th September, 1949.
 0900.

480/6

DEVELOPER FROM:

Australian Embassy,
 WASHINGTON.

835. F. 0130.

THAILAND. SECRET.

Thai Ambassador called on the Ambassador this morning and left a note of which the following is the summary:

The Thai Government has requested the United States to release to the Bank of Thailand certain gold bars owned by the Bank and deposited for safekeeping in Japan. The Bank of Thailand possesses receipts issued by the Bank of Japan, weight lists, certificates of inspection and other documents describing the bars by number and fine gold content. The bars are physically segregated from other gold in vaults in the Bank of Japan and suitably marked and identified. The gold constitutes a major part of the Thai currency reserve. Approximately one-half of the gold purchased before the end of 1941 i.e., 31st December. The remainder purchased with balances which accrued in favour of Thailand during the war. The gold was earmarked between 2nd August, 1941, and 27th October, 1944 - gold acquired during the war was purchased in an effort to maintain the integrity of the Thai currency system and avert financial and economic collapses. The Thai Government was obliged during the war to make available to Japan local currency considerably in excess of gold earmarked by Japan for Thailand. Local currency was for purchase of rice and other commodities which were sent to Southern Regions occupied by Japan for civilian and military consumption. Only to a small degree was the Thai Government able to mitigate the acts of exploitation and spoliation of the Thai economy by the Japanese Government. 60% of the Thai currency reserve was accounted for by the gold held under earmark in Japan. The Bank of Thailand acquired a valid title to the gold under established principles of both municipal and international law. Its prompt release will promote stability in Thailand.

2. The Thai Ambassador requested that his representations be sympathetically considered by the Australian Government. The Ambassador took the opportunity of referring to Thailand's outstanding obligations to Australia.

Min and Dept. E.A.

11th September, 1949.

CABLEGRAM.

ACTION
COPY

0. 11280

Dated 8th September, 1949
1825

Australian Embassy,
WASHINGTON.

Your 820 (FDC 116).

We do not consider that Allison has brought forward any new arguments in favour of United States proposal. Proper place for discussion of it is in FEC and not by negotiation outside FEC, and we see no point in postponing FEC discussion beyond today.

9th September, 1949

F S R

I have

$$\begin{array}{r} 480 \overline{) 6} \\ 480 \overline{) 30} \end{array}$$

Circ Library	
Mktg	
H	
MR	✓
A	
LC	
PI	✓
Tac	✓
ANT	✓
UN	✓
ER	
Adm	

This is an unparaphrased version of a Cypher Message. It is not to be distributed outside a British Commonwealth Government Department or Instrumentality without paraphrasing. It is never to be downgraded below 'Restricted'.

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

SECRET.

HP:JSH

ENCYIPHER FROM:

The Australian Embassy,
WASHINGTON.

Dated: 7th September, 1949
1954
Recd: 8th September, 1949
1400 hours.

920. EMERGENCY. SECRET.

F.E.C.116.

Late this-afternoon we were called to the State Department by Allison who, under instruction from Butterworth, reported at length the United States position with regard to the transfer of gold from Japan to Thailand and France.

2. Following is summary of his comments:

(a) The decision to take this step was approved by President Truman personally after consultation with the Departments of Defence, State, Treasury and the Attorney General.

(b) The United States Government is certain that they are legally correct in transferring gold otherwise they would not have taken this decision. The State Department is preparing a factual memorandum about the legal position for distribution to friendly powers.

Stressed again that Thailand's legal right to earmark gold was not connected with Austria's claim for compensation from Thailand.

(c) Allison pointed out that U.S.A. believes that U.S.A. is entitled to a major portion of the gold belonging to Japan. Therefore, if this amount is not accepted as belonging to Indo-China and Siam, it may be claimed later by the U.S.A. for occupation costs.

(d) They stressed the political significance of proposed move in order:

(1) To contain Communism in Asia and,

(2) To assist the French in the interests of the Western Union and the Atlantic Pact.

Referred to the geographical position of Australia and expressed the opinion that we might view the situation in its widest aspects.

(e) Said that if this issue were raised by Australia at F.E.C. meeting tomorrow, it would give the Soviet a "chance for a field day".

Suggested that we ask you not to raise the issue in the meeting tomorrow. In this event, the United States would delay the issuance of a directive to S.C.A.P. for a further week to allow time for further negotiation (i.e. for another fortnight).

(f) Allison gave the impression that the United States had made firm decision to issue directive.

3. We felt you should be advised of the foregoing immediately.

MIN. & DEP'T. E.A.

8th September, 1949.

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

0.11210
Sent: 7th September, 1949.
5.20 p.m.

MD:HP
DECRYPTER TO:

Australian Embassy,
WASHINGTON.

ACTION
COPY

495. CONFIDENTIAL. MOST IMMEDIATE.

Your 812 (FEC.115).

If United States has carried out intention and filed proposed directive to S.O.A.P. with F.E.O., we would suppose this would be reported at today's Commission meeting, in which event opportunity would be given for general discussion and presentation of views. In any event, however, you should not let today's meeting pass without expressing views along lines of our 485, stressing in particular that we and other countries still have outstanding claims against Thailand as a former enemy and that no assets should be released to Thailand until all these Allied claims are settled.

Min. & Dept. of External Affairs.

8th September, 1949.

480/b

Comptroller	
Secretary	
AB(P)	
E	
MR	
A	
LC	
PI	
Pac	
ANT	
UN	
ER	
Adm	
A	
K	

CABLEGRAM.

JSH/GC

I.13217

Dated: 6th September, 1949
1730

Recd.: 7th September, 1949
1210

DECYPHER FROM:

Australian Embassy,
WASHINGTON.

812. IMMEDIATE. RESTRICTED.

F.E.C. 115.

Your No. 485.

Are we correct in assuming that we should take
the initiative in raising the question in the Far Eastern
Commission.

MIN.& DEPT. E.A.

7th September, 1949

485/6

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

Government of the United Kingdom
Ministry of Foreign Affairs
London, E.C. 4, England

MD/jc

DECYPHER TO

AUSTRALIAN EMBASSY
WASHINGTON.....485

SECRETARY OF STATE
FOR COMMONWEALTH RELATIONS
LONDON.....154

0.11132/3
Sent September 6, 1949
6.10pm

ACTION
COPY

CONFIDENTIAL.

Release of gold to Thailand and France. Your FEC.113.

1. We have now informed U.S. Embassy in reply to their Aide-memoires of 31st August and 5th September that after careful study Australian Government is unable to support either substance of U.S. proposal or manner of its implementation. Following is summary of points in our Aide-memoire:
2. Notwithstanding United States citation of international law and monetary practice, Australian Government is not convinced that Thai and French title to the gold has been clearly established, particularly having regard to abnormal conditions prevailing at time Japan is stated to have earmarked gold for Thailand and France. Between 1941 and 1943 Thailand was at war with Australia and other countries and Indo-China was under Japanese occupation. In absence of detailed information Australian Government assumes that services on which Thai and French claims rest were performed in furtherance of Japanese war effort against allies.
3. Gold should properly be regarded for present purposes as part of Japan's assets and its ultimate disposition laid down in peace treaty. Even if regarded as transferred the gold should still be regarded as enemy assets in possession of occupying forces and available to meet war damage and other claims made by Allied on enemy countries.
4. Matter should in any event be fully considered and voted upon by FEC before any directive sent to SCAP.
5. Full texts by air bag.

=====

MIN AND DEPT E.A. (479/10/11)
(480/6)
(480/30)

September 7, 1949

480/6

Copies to	
Secretary	<input checked="" type="checkbox"/>
AN/P	<input checked="" type="checkbox"/>
E	<input checked="" type="checkbox"/>
MR	<input checked="" type="checkbox"/>
A	<input checked="" type="checkbox"/>
LC	<input checked="" type="checkbox"/>
PI	<input checked="" type="checkbox"/>
Pa	<input checked="" type="checkbox"/>
ANT	<input checked="" type="checkbox"/>
UN	<input checked="" type="checkbox"/>
FR	<input checked="" type="checkbox"/>
Adm	<input checked="" type="checkbox"/>
A, G	<input checked="" type="checkbox"/>
Exec	<input checked="" type="checkbox"/>

CABLEGRAM.

This is an unparaphrased version of a Cypher Message. It is not to be distributed outside a British Commonwealth Government Department or Instrumentality without paraphrasing. It is never to be downgraded below 'Restricted.'

28

MD/LB.

I. 13022.

DECYPHER FROM:

Dated: 2nd September, 1949.
1755.

The Secretary of State for
Commonwealth Relations,
LONDON.

Rec'd: 3rd September, 1949.
9.15.a.m.

**ACTION
COPY**

139. CONFIDENTIAL. Priority.

Your telegram 150.

Japanese Gold. We are urgently considering United States proposals and will telegraph our comments as soon as possible.

Minister and Department of External Affairs.

3rd September, 1949.

480/6

Copy	
Secretary	/
ASST	/
E	/
MP	/
A	/
LC	/
PI	/
Rec	/
ANT	/
UN	/
PA	/

CABLEGRAM.

SECRET.

This is an un paraphrased version of a
 cypher message. It is to be considered
 as a British communication with
 the Government. It is not to be
 paraphrased or translated
 without paraphrasing. It is
 never to be downgraded or
 declassified.

I.J.12973

:NER

DECIPHER FROM:

Australian Embassy,
WASHINGTON.

Recd. 2nd September, 1949
 1319
 1000

787. Secret.

Our FEC112. FEC113.

State Department has now replied informally along the following
 lines -

(A) Regrets that it cannot postpone notification of directive to F.E.C.
 in view of assurances given to France and Thailand and because all F.E.C.
 countries except U.S.S.R. have already been informed of the directive;

(B) Whilst the United States would of course respect Australia's claims
 against Thailand, it considers that Thailand's legal right to earmark
 gold is not connected with Australia's claims for compensation.

2. We understand that the State Department is sending further
 instructions to United States Embassy Canberra.

MIN. AND DEPT. OF E.A.

2nd September, 1949

H 80/6

ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓
DR	✓
ALB	✓
ASST	✓
SECRET	✓
MR	✓
LC	✓
PI	✓
PA	✓
ANT	✓

JH:MD
DECYPHER FROM:
THE AUSTRALIAN EMBASSY,
WASHINGTON

DEPARTMENT OF EXTERNAL AFFAIRS.

I.12905.

CABLEGRAM

Dated: 1st August, 1949.

Rec'd: 1st September, 1949.

SECRET.

786.

SECRET.

Your 470.

F.E.C.112.

As Allison was not available, we discussed the question with his assistant who was unable to give a firm reply, which is promised tomorrow, but expressed the following tentative views -

(A) The directive, copy of which was sent to the United States Embassy, Canberra, will be filed with the Far Eastern Commission and subject to review by the Commission. The State Department, however, is most anxious that this should not happen and would probably veto any proposal to modify the directive. Communication to S.C.A.P. is termed "directive" not "interim directive". (The State Department would not state the significance of the change of nomenclature but we interpret it as -

(a) A method of getting around the relation between interim directive and matters of urgency, or

(b) Indication that United States is no longer concerned with formulation of policies by F.E.C.

(B) The State Department is inclined to the view that Australia's relations vis - a - vis Thailand are distinct from Australian and United States relations vis - a - vis Japan.

(C) The United States would be extremely reluctant to postpone transmission of the directive to F.E.C. since Thailand and France have been promised that action will be taken immediately. The present intention is to forward the directive to F.E.C. on 2nd September and issue it to S.C.A.P. a fortnight later. This period would allow time for further representations by the Australian Government.

(D) The State Department stressed that transfer was strictly legal and at the same time had political value in encouraging the Thais to resist the spread of Communism.

2. Suggest you might wish to concert action with other interested British Commonwealth Governments.

3. We were informed by the State Department of this matter on 29th August and given firm assurance that the United States' Embassy, Canberra, was thoroughly briefed to discuss it with you (see our memorandum No.998 of 29th August).

MIN. & DEPT. EXTERNAL AFFAIRS.

2nd September, 1949.

480/b

his is an unclassified copy of a
cipher message. It is to be used for
reference only. It is not to be
reproduced or distributed outside
the Department of External Affairs.
It is to be destroyed when it is
no longer required. It is to be
kept in a secure place.

DEPARTMENT OF EXTERNAL AFFAIRS.

CABLEGRAM.

20

WNR

DECYPHER TO:

Sent 31st August, 1949 1655
9.10861.

The Secretary of State
for Commonwealth Relations,
L O N D O N.

150. CONFIDENTIAL:

We have been informed by the United States Embassy
that the United States Government proposes to instruct the
Supreme Commander to hand over to Thailand and France approximately
\$80M (eighty million dollars) in gold which had been earmarked
by Japan for those countries as a result of trading transactions.
The procedure which we understand has been communicated to you
involves a notification to F.E.C. and we are asked to support the
United States in the matter.

While there may be less objection to the gold being
transferred to France for French Indo-China we have strong
objection to the transfer to Thailand with which we were at war
and which country under the Treaty of Peace made with her has an
outstanding obligation to Australia in respect of certain claims
and the United Kingdom Government is in a similar position.

We propose therefore to inform the United States
Government that we would expect them to respect our position in
relation to Thailand, even though they themselves were not at
war with Thailand, and that no transfers of gold should be made from
Japan one enemy to Thailand another enemy until claims on Thailand
have been satisfied.

We should be glad of your urgent comments.

MIN. AND DEPT. OF E.A.

1st September, 1949

480/6

AUSTRALIAN EMBASSY
WASHINGTON D.C.

19

21 July 1949

Memorandum No. 319/49

Memorandum For;

The Secretary,
Department of External Affairs,
Canberra, A.C.T.,
Australia.

Japanese Participation in International Relations

Attached herewith is a copy of a note, regarding Japanese participation in international relations, transmitted by the State Department to the French Embassy on July 13th 1949.

The State Department has made copies of this note available to the heads of the other missions of the member governments of the Far Eastern Commission in Washington.

H. W. Bullock
Second Secretary,

HWB:BC
Encl.

ESR. → 480/6.

Original + US note after circulation
shd go on file 480/45/3

18

480/6.

27th June, 1949.

MEMORANDUM for -

The Secretary,
Department of Commerce & Agriculture,
CANBERRA.

TRADE ARRANGEMENT BETWEEN FRENCH UNION AND JAPAN.

... We are attaching for your information a copy
of a press release issued by GHQ, SCAP, on 9th June, announcing the signing of
\$25 million trade arrangement between the French Union and Japan for the period
1st March 1949 to 28th February 1950.

SECRETARY.
58

CABLEGRAM.

I.9446/395

JSCY/GC

Dated: 20th June, 1949
1600
Recd.: 22nd June, 1949
1155

DECYPHER FROM:

Australian Mission,
TOKYO.

261. Unclassified.

Situation Report.

A. Political.

1. All newspapers of 10th June gave major prominence to report of statement by United States Acting Secretary of State, James Webb, before the House Foreign Affairs Committee that the United States Government had under careful consideration the questions of what steps must be taken for the State Department to take over the Occupation's Civil Government functions from the Army. Although the statement was made in general terms the Press played up the possibility of transfer of regime of control. This brought immediate reaction from S.C.A.P. whose Press release of the same day denied that any change in the regime of control was contemplated as "Such change could only be accomplished through agreement by the eleven nations of the F.E.C.. Apparently what is being discussed is whether the American interests will be primarily handled by the State Department in Washington or as heretofore by the Department of the Army as an internal question which rests solely with the United States" the S.C.A.P. statement concluded. See Despatch 6 of 16th June.
2. S.C.A.P. statement was followed by U.S. State Department announcement that transfer of Japanese occupation from Army to Civilian control was distant. All Mr. Webb sought to emphasise was that Japan's problems were being approached in a thoroughly co-operative manner by the Army and State Departments.
3. Addressing the Prefectural Governors on 9th June the Prime Minister, Yoshida, said the Peace Conference could be called today at which Japan could assert her rights. The process of convincing the Powers of Japan's ability to return to International Society and to contribute to World Peace was indeed a Conference. The Nation should be alert to do nothing to destroy the confidence of the Powers in Japan.
4. The word battle between the U.S. and the U.S.S.R. over Repatriation and Labour issues as continued over the past fortnight. In reply to letter from Lieutenant-General Derevyanko of 11th June protesting against oppressive acts against Labour, General MacArthur again revived the Repatriation issue and said: "The thorough duplicity of its apparent championship of fundamental human rights on the one hand and the Soviet callous indifference to the release for Repatriation of Japanese prisoners of war on the other is a shocking demonstration of inconsistent demagoguery." Further accused the U.S.S.R. of trying to incite "Unruly minority elements in Japan to violence and disorderly resistance". See Despatch 64 of 17th June.
5. Yoshida in his talk to the Prefectural Governors tended to play down the Repatriation issue saying that G.H.Q. was more anxious about Japanese abroad than the Japanese Government. He was of the opinion that all Japanese in the Soviet Union would be repatriated when the time came.

-/ 5.

CABLEGRAM.

page 2.

I. 3445

16

6. Recent outbreaks of strikes and S.C.A.P. letter to Dervyanko have led to renewed demands for action against the Communists by the Press. The Secretary-General of the Democratic Liberal Party, Hirokawa, 14th June accused the Communist Party of working towards the instigation of a Revolution by force in August or September and called for investigation into the origin of the strikes by Special Investigation Committee. At the Attorney-General, Shunkichi Ueda, told the National Prosecutors Conference on 16th June that "stern measures would be taken against vicious and undemocratic elements in Japan". In reply Shiga, Editor of Akahata and Communist leader said that the idea of Revolution in August was the Democratic Liberal invention to justify the oppressive measures against Communists. The Democratic Liberals would soon try to suppress Communist activities by force and fighting by Communists and Workers would be in self-defence.

7. Tomabechi, leader of the Anti Coalition Faction of the Democratic Party, 14th June, rejected renewed suggestions of a merger with the Democratic Liberals, saying the Communist Party would be happiest if the merger materialised.

8. This morning the Japanese Press reports that Prime Minister Yoshida will soon petition S.C.A.P. for increase of Police Force to 150,000 and for improvement of mechanisation of Police by increasing radio equipment, revolvers, and allowing them to possess machine guns and armoured cars.

B. Economic.

9. An unfavourable balance of trade amounting to 820 million yen was recorded for April according to the Finance Ministry. Imports totalled 14,820 million yen and exports 13,900 million yen.

10. A 25 million dollar Trade Agreement between France and Japan was announced 10th June. A arrangement will cover trade between the two countries from 1st March, 1949, to 28th February, 1950.

11. R. W. Hale, head of the S.C.A.P. Foreign Trade Division, told the Press 8th June that an early resumption of trade on a private basis could be expected between Japan and Communist China. Imports for Japan would be soya beans, iron ore, and coking coal. Textiles and other manufactured goods would be exported to China. Nozaka, Communist leader, who recently addressed meetings sponsored by the Chambers of Commerce and Industry in Osaka and Kobe, has expressed willingness to go to China as a special representative to negotiate the restoration of trade.

12. Lieut./Col. Schenck, Chief of S.C.A.P.'s Natural Resources Section, announced 17th June that S.C.A.P. had rejected a formal Japanese Government petition for expansion of Japan's Fisheries. Some Japanese Companies were not observing the terms set by the Occupation, for example, fishing boats violated boundaries and over-exploited some areas.

13. Lieut. B. Donaldson, Chief of S.C.A.P.'s Forestry Division, said 6th June that Japan was denuding forests at twice the rate of replacement. Forest resources had dropped to 61 million acres or 55 per cent. of the pre-war level. Overcutting and inadequate measures for erosion control would cost the nation one-fourth of its staple food imports in flood damage.

- / 14.

CABLEGRAM.

14. S.C.A.P. has approved plan for building 33 new hydro-electric plants capable of generation 580,000 kilowatts. Thirty plants are to be completed by 1953.

C. Labour.

15. Tokyo tramways strike. (See my telegram 235 of 6th June). This strike was called off on 7th June by Union officials after ultimatum had been delivered by the Government under Imperial Ordinance 201.

16. National Government Railways. A strike affecting the four main Tokyo railway lines was begun on 9th June in protest against the new work shift involving ten minutes extra work per driver per day and the dismissal of 18 drivers who refused to comply. New hours were still within the 48 hour week. The real purpose of the strike was opposition to new Table of Personnel Organisation Law. It was feared that the new work schedule was preparatory to mass dismissals under this Law. Strike affected 950,000 passengers. Loss in fares on 10th June estimated at 14 million yen. On 11th June the acting Chief of S.C.A.P. Labour Division called off the strike under Public Corporations Labour Relations Law and ordered negotiations to be resumed according to proper machinery for such disputes provided in P.C.L.R.L.. The Central Executive Committee of the National Government Railway Workers' Union has directed the workers to withdraw opposition to the new work schedule but to co-ordinate their efforts "using violence, if necessary" to resist mass dismissals under the Government's retrenchment plans. At present efforts are being made to form an Arbitration Committee to mediate the dispute.

17. Hiroshima dispute - On the morning of 15th June a clash occurred at the Hiroshima plant of the Japan Steel Manufacturing Company when about 1300 Police evicted about 2000 workers conducting a sitdown strike in protest against the dismissal of 600 workers in accordance with the economic stabilisation programme. Preliminary reports from Japanese Government Observer who was on the spot states that only 22 were injured and that Police used no undue violence. The Factory is on the list of plants designated for Reparations and as such comes under Military Government surveillance. When workers locked themselves in the Factory on 14th June and refused to allow the management to leave the Military Government directed the Governor of Hiroshima to order the closing of the Factory. This order was issued by the Governor on 14th with closure to be effective from 2 a.m. on 15th. Police were called to enforce compliance at 5.30 a.m. and all workers were evicted by 6 a.m.. B.C.O.F. Military Police, Field Security, and Military Government representatives attended as Observers. A company of B.C.O.F. troops occupied the building on the night of 15th in view of the rumour that workers in large numbers would attempt re-entry. Troops were withdrawn after several hours when it became apparent that no further trouble would develop.

D. Yokosuka Loyalty case.

18. Two officials of the All Japanese Occupation Force Union have been arrested at Yokosuka and charged with prejudicing the security of the Occupation Forces, in that they misrepresented, in a news sheet published on May 8th, a statement made to them by Mr. V. Burati of the S.C.A.P. Labour Division in an interview he had with Union officials concerning the signing of the Loyalty Affidavit required by Captain Decker. Burati states that the report of the interview as published is substantially correct, but that there are several inaccuracies which he does not consider

-/ deliberate.

CABLEGRAM.

deliberate, but rather the result of language difficulties.
One of the officials charged is Suzuki Kameji with whom Decker
had previously refused to have dealings owing to his refusal to
sign the Loyalty Affidavit.

MIN. & DEPT. E.A.

23rd June, 1949.

6 Amendment

Memo. No. 424.

File No. 7/6.



AUSTRALIAN MISSION IN JAPAN,
TOKYO.

16th June, 1949.

MEMORANDUM for:-

The Secretary,
Department of External Affairs,
CANBERRA, A.C.T.

Trade Arrangement between the French Union
and Japan.

Attached are copies of a GHQ press release of 9th
June announcing the signing of a \$25 million trade arrange-
ment between the French Union and Japan covering the period
1st March, 1949, to 28th February, 1950.

Patrick Shaw
Head of Mission.

DA 86
DH
RP

Sent 27/6.
Copies to C.A. and
European Section (Lambert) p/s
Sent

P

JAPAN-FRENCH UNION \$25,000,000 TRADE ARRANGEMENT SIGNED

A \$25,000,000 trade arrangement between the French Union and Occupied Japan, negotiated during recent Tokyo conferences by members of the French Mission and representatives of SCAP's Economic and Scientific Section, was signed today in the offices of Maj. Gen. W.F. Marquat, Chief of the Section.

The arrangement will cover trade between the two areas from March 1, 1949, through February 28, 1950, and will be conducted in accordance with the terms of the financial arrangement in effect between the French Union and Occupied Japan since July 7, 1948.

All matters pertaining to both the trade arrangement and the financial plan, have the approval both of the Supreme Commander for the Allied Powers and of the French Government.

Renaud Sivan Charge d'Affaires (per interim), signed on behalf of the French Union while Maj. A. J. Rehe, Adjutant General's Section, signed for the Supreme Commander.

The French Union includes Metropolitan France, Algeria, French Occidental Africa, French Equatorial Africa, Madagascar and dependencies, Reunion Island, French Guiana, Guadeloupe, Martinique, St. Pierre and Miquelon, French Settlements in India, Indo-China, New Caledonia, French Oceania, Condominium of the New Hebrides, French Protectorates of Morocco and Tunisia, and the Mandates of Cameroon and Togo.

480/6

11

JAPANESE-FRENCH TRADE. Japan and the French Union have signed an agreement for a 25 million U.S. dollar exchange of goods to cover trade between the two areas for one year beginning March 1st, 1949. MacArthur's Headquarters announced today. The arrangement was negotiated between the French Mission and SCAP representatives and was signed in the Tokio Headquarters. It will be conducted in accordance with terms of the financial arrangement in effect between the French Union and Japan since July 1948.

Tokyo
9/2/49

892 1076/49

~~439/2~~
450/6

FRENCH UNION TO OPEN TRADE TALKS MONDAY

**Eager to Buy More Quantities
of Silk From Japan**

Trade talks between the French Union and Occupied Japan will open on Monday, the object being to establish a trade arrangement between the French Union and Occupied Japan. F. E. Pickelle, Chief of SCAP's Foreign Trade and Commerce Division announced yesterday.

The French Union, which has already purchased 12,000 bales of raw silk, has indicated interest in obtaining further quantities of this commodity which is expected to receive primary attention at the impending trade talks. Japan, in turn, is anxious for imports of raw materials, such as may be supplied by the various parts of the French Union.

Michel Mornand, economic adviser to the French Mission in Japan, Louis Merie, economic assistant for Indo-China and Jean Fernier, economic assistant, will represent the French Union.

The French Union covers the following territories: Metropolitan France; Algeria; French Occidental and Equatorial Africa; Madagascar and dependencies; Reunion Island; French Guyana and Somaliland; Guadeloupe; St. Pierre and Miquelon; French Settlements in India; Indo-China; New Caledonia; French Oceania; Condominium of the New Hebrides; French Protectorates of Morocco and Tunisia, and the Mandates of Cameroon and Togo.

NOV 23 1949

JULY 11, 1948

JAPAN TO IMPORT COAL FROM F.I.C.

ESS Also Discloses Other
Industrial Developments
In Its Weekly Bulletin

A total of 26,600 tons of anthracite coal will be imported soon from French Indo-China for Japanese industrial use, the weekly report of the Industrial Division in SCAP's ESS disclosed Friday.

Approximately 7,300 tons will be allocated to the calcium cyanamide industry, 2,200 tons to electrode industry, with the balance to the steel industry, the report said. The bulletin added that standard coal allocations to gelatin, ammonium sulphate and solvay soda industries have been increased by 2,000, 13,000 and 27,500 tons, respectively. To enable plants to produce additional power for coal mines, allocation tickets for 6,000 tons of standard coal to electric power plants in Kyushu have been extended for 30 days beyond the regular expiration date and the end of the first quarter, the bulletin disclosed.

The report also described these industrial developments:

Production of glass fishing buoys is now at capacity to meet requirements of the fishing industry. Due to the poor fish catch, permission has been given to can 30,000 cases of light meat tuna for export in place of canned albacore.

Permission has been granted for construction of a 3,300 gross-ton steel refrigerator vessel for the Japanese whaling fleet to prevent losses from insufficient freezing capacity in the next expedition.

Interruption of work on approximately 18,000 cloisonné pieces for export in the Nagoya area was blamed on a silver shortage caused by illegal distribution of some silver stocks by the prefectural government at the end of the war. All supplies have been confiscated by the Finance Ministry.

Production of 1,130 standard sized trucks in May exceeded the planned goal for the second month in succession. Production of 243 small trucks in May also exceeded a previous postwar high by six units, set in March.

Wippen Times.

480/6.

CABLEGRAM.

I.11641

Dated : 19th July, 1948.
10 P.M.Recd. : 20th July, 1948.
0830

DECODE FROM :

AUSTRALIAN MISSION,
TOKYO.

334.

Situation Report.

(a) POLITICAL.

Left wing Socialists have indicated their intention to fight against their expulsion from the party but Aesunuma, Secretary General of party, told a member of the mission today, he did not think that they will succeed. He said the socialist party without the extreme right wing of Hirano and extreme left wing was now more unified. On July 14th Socialist speaker Matsuoka conferred with General MacArthur on political situation. On July 16th he made a statement of the formation of a four party coalition Cabinet without dissolving the Diet which was an ideal solution to present situation (see despatch 161). He warned the Prime Minister against dwelling too much on middle present policy. Such an attitude gave the impression that the Democratic Liberal party was reactionary and this impeded the formation of a national coalition cabinet. Against this the Chairman of the Socialist Party Kitayama told the press on July 18th that the Socialist Party intends to call for a dissolution in September. He said the Socialist element was opposed to joining a centre party such as that advocated by Ashida and Kiki.

(b) ECONOMICS.

The French Union and Japanese signed a financial agreement on July 1st providing for trade between the two on an open account basis in terms of the dollar. France will buy raw silk and machinery and will supply chemical products of coal, salt and fertilisers.

SHAW.

-----000-----

Min. & Dept. E.A.

20th July, 1948.

480/6

Copies to be made	
Shaw	
AS (1)	
AS (2)	
AS (3)	
AS (4)	
AS (5)	
AS (6)	
AS (7)	
AS (8)	
AS (9)	
AS (10)	

TOKIO. ENGLISH MORSE TO CENTRAL NEWS. 13/7/48 - 6.30 p.m.

Democratic, and the People's Co-operative parties, would be most desirable. Matsuoka informed SCAP, however, that such a coalition would be difficult because political parties in Japan failed to recognise the necessity of working together in the face of a deep crisis. At the conclusion of the one-hour meeting, MacArthur was said to have commended the work of the Diet session which has just concluded. General MacArthur is said to have also praised the work of the Illegal Property Transaction Investigation Committee, which has been uncovering a number of scandals and cases of political corruption.

13/7/48 - 7.30 p.m. ENGLISH MORSE TO A.F.P.

480/6

TRADE BETWEEN JAPAN AND FRENCH UNION. A financial arrangement for trade between the French Union and Japan was signed on the 8th July by General Zymov Pochkoff, head of the French Mission in Japan, and a representative of SCAP. This was stated today by French Official quarters. The agreement provides that all trade between the French Union and Japan will be conducted on an open account basis. These open accounts will be maintained by SCAP's Foreign Trade and Commerce Division on behalf of the Allied powers, and by the Bank of Indo-China on behalf of the French Union, in terms of dollars. Within the framework of the new agreement, French authorities expect a rapid development of commercial relations between the French Union and Japan in the near future. The French Union will buy from Japan raw-silk, machinery for Indo-China, and paper. 6,000 bales of raw silk are expected to reach.....before the end of this year. Japan is at present negotiating to obtain chemical products from France, salt from Tunisia, superphosphate from Morocco, coal from Indo-China, and ores from New Caledonia. Fertilisers have already been ordered from France, and Japan is trying to obtain coal from Indo-China at the rate of 25,000 tons this year and 200,000 tons next year. The open account system was so far operating only between Japan and the French Union.

SINGAPORE. 14/7/48 - 12.15 a.m. NEWS IN ENGLISH.

CEYLON has joined the World Health Organisation. The Ceylonese delegate has been given official status at the World Health Assembly now meeting in Geneva.

BAO DAI STILL ABOARD. Bao Dai, the former Emperor of Annam, arrived in (Cannes) yesterday from Paris. He will spend about four weeks there.

SIAMESE CONSTITUENT ASSEMBLY. The first session of the newly elected Siamese Constituent Assembly met yesterday in Bangkok. (Pharatao Sribertasivo) was elected President.

TOKIO. KYODO NEWS IN JAPANESE MORSE.

13/7/48 - 4 p.m.

FUNEDA ON REPARATIONS: State Minister Funeda, the President of the Reparations Board, said the following on the 9th about reparation matters in a speech at Nikko:- "After the announcements of the recent Strike Report and Johnstone Report, it appeared as if there were signs of the reparations question approaching a final settlement. However, the decision of the reparations question must be made between the Allies with due regard to such factors as a peace conference for Japan, American credits for Japan and the general international situation. All we have to do in this connection is to fulfil our duty faithfully. The removal of 17 war plants on the basis of the 30% advance delivery plan is progressing. Up to date the handing over of 90% of the 17 war factories and (their) 19,000 machinery items has been completed. These included 6254 machinery items to China, 1638 to the Netherlands, 2610 to the Philippines, 1261 to Britain etc."

13/7/48 - 6.30 p.m. ENGLISH MORSE TO CENTRAL NEWS.

POSSIBLE DISSOLUTION OF JAPANESE DIET. The possibility of General MacArthur ordering a new general election in Japan within a few months was feared after SCAP asked the Speaker of the Lower House, Komakichi Matsuoaka, what would result if the Diet were dissolved in two or three months. According to a most reliable source, General MacArthur asked a few important political questions during his one-hour meeting with the Lower House Speaker Matsuoaka this afternoon. Among SCAP's questions, according to the same source, were the possible result of a new election and what form of cabinet was most desirable to succeed the Ashida cabinet. Matsuoaka informed General MacArthur that, although the Democratic Liberal Party will emerge as the first party from another general election, the political picture will not drastically change after an election. No single party will command a majority in the Diet, Matsuoaka is said to have told SCAP. Replying to the other question, Matsuoaka said that a coalition government of all major parties, presumably including the Democratic Liberal, Social /

COPY TJC:JC

P.M.'S. FILE NO. 41/1/6. *480/6*

COMMONWEALTH OF AUSTRALIA

Commonwealth Relations Office,

NO. 54

Downing Street,

SECRET

22nd June, 1948.

SECRET

Sir,

With reference to your telegram No. 82 of the 5th April I have the honour to transmit to you a copy of a note to the French Ambassador in London regarding the claim of the French Government to a share of such Japanese naval vessels as might be divided among the Allied Powers.

I have the honour to be.

Sir,

Your most obedient,
humble servant,

(SGD.) Philip Noel-Baker.

THE PRIME MINISTER OF
THE COMMONWEALTH OF AUSTRALIA.

COPY MIN. & DEPT. E.A.

Sm
Rt. Hon. H.V. Evatt, K.C., M.P.,
Minister for External Affairs.

7 - JUL 1948

Sent

See

Am

Mr. MacLennan

31st May, 1948.

6

Your Excellency,

On the 11th January, 1946, Your Excellency wrote to Sir Alexander Cadogan stating that the French Government intended eventually to claim a share of such Japanese naval vessels as might be divided among the Allied Powers. In a Note dated 14th October, 1946, His Majesty's Ambassador in Paris informed Monsieur Bidault that His Majesty's Government in the United Kingdom, being anxious to meet, so far as lay within their power, the claim which the French Government had put forward, were prepared to offer the French Government a proportion, to be determined by mutual agreement between the two Governments, of whatever vessels might be allotted to them. His Majesty's Ambassador added that as H.M. Government would also have to satisfy from their share the claims of the Dominion and Indian Governments the residue was not likely to be large, and that in the absence of details of the vessels available for division, H.M. Government could not undertake any commitment as to the number, nature or size of the vessels which it would be possible for them to offer the French Government.

2. The physical allocation of the Japanese fleet is now proceeding, and the various claims against the share which has been allocated to H.M. Government in the United Kingdom are being co-ordinated by the Admiralty. I have accordingly the honour to suggest that, if the French Government are still interested in these ships, your Naval Attaché should now approach the Admiralty with a view to instituting direct discussions between the naval authorities of our two countries, as to the vessels which it may be possible to make available to the French Government. In order to avoid any risk of misleading Your Excellency I ought to add that the Admiralty regard the vessels received as quite valueless - a view which may already have been endorsed by your Government's representatives in the Far East - and that H.M. Government have only thought it necessary to refer to the matter again because of the exchanges

His Excellency
Monsieur René Massigli, K.B.E.,
etc., etc., etc.,
The French Embassy.

referred to in paragraph one above; indeed, it was not considered worth while even to move some of the vessels from Japan at all and they have been scrapped there. The remainder are occupying valuable space at Singapore and involving the Admiralty in an unwelcome manpower commitment. If they are not required by your Government, they will at once be scrapped. I should therefore be most grateful for an early indication of the French Government's wishes.

I have the honour to be, with the Highest
consideration,
Your Excellency's obedient Servant,
(for the Secretary of State)

(Signed) D.F. MacDermot.



Dept. of Information Review

"C" TOKIO: OVERSEAS.

11/8/45 - 1.45 p.m. NEWS IN ENGLISH TO AMERICA

Reception: Bad.

FRENCH DETACHMENTS IN SHANGHAI DISARMED. Japanese troops stationed in Shanghai took action yesterday at 6.15 a.m. and disarmed about 1200 French troops and 797 French armed police in Shanghai. They also took over French-controlled communication centres in the city. This move was made in concert with the action against French forces in FIO on Friday.



Dept. of Information Review.

Tokio in German.

JAPAN: FRENCH AMBASSADOR.

Tokio, March 12th. "On March 11th the French ambassador, M. Henri Cosme called on Vice Foreign Minister Sawada to announce that he considers his task in Tokio as terminated. In this connection spokesman Iguchi of the Board of Information declared that this announcement referred to the action taken by the Japanese army in FIC."

— in German, 6.15 p.m.

CABLEGRAM.

I.11841

Dated : 19th July, 1948.
10 P.M.Recd. : 20th July, 1948.
0830

DECODE FROM :

AUSTRALIAN MISSION,
TOKYO.

384.

Situation Report.

(a) POLITICAL.

Left wing Socialists have indicated their intention to fight against their expulsion from the party but Asanuma, Secretary General of party, told a member of the mission today, he did not think that they will succeed. He said the socialist party without the extreme right wing of Hirano and extreme left wing was now more unified. On July 14th Socialist speaker Matsuoka conferred with General MacArthur on political situation. On July 16th he made a statement of the formation of a four party coalition Cabinet without dissolving the Diet which was an ideal solution to present situation (see despatch 161). He warned the Prime Minister against dwelling too much on middle of the road policies. Such an attitude gave the impression that the Democratic Liberal party was reactionary and this impeded the formation of a national coalition cabinet. Against this the Chairman of the Socialist Party Katayama told the press on July 18th that the Socialist Party intends to call for a dissolution in September. He said the Socialist element was opposed to joining a centre party such as that advocated by Ashida and Miki.

(b) ECONOMICS.

The French Union and Japanese signed a financial agreement on July 9th providing for trade between the two on an open account basis in terms of the dollar. France will buy raw silk and machinery and will supply chemical products of coal, salt and fertilisers.

SHAW.

-b00-

Min. & Dept. E.A.

20th July, 1948.

Copies received

Secretary	✓
AS (P)	
E	✓
ME	
A	
LC	
PI	
Pae	✓
UN	✓
ER	
Adm	
A/s	

480/6

(b) ECONOMICS.

⑦ The French Union and Japanese signed a financial agreement on July 1st providing for trade between the two on an open account basis in terms of the dollar. France will buy raw silk and machinery and will supply chemical products of coal, salt and fertilisers.

479/1

SHAW.

-----DOO-----

Min. & Dept. E.A.

Lan Tokyo.

20th July, 1948.

Rest a 479/1

Political Situation